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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>

PROPOSED SHARE SUBDIVISION

The Board proposes to effect 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.

The Share Subdivision is conditional upon: (i) the passing of an ordinary resolution by the Shareholders at the SGM approving the Share Subdivision; (ii) 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 (iii) 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 Subdivided Shares will rank *pari passu* in all respects with each other with the Shares in issue prior to the Share Subdivision and the rights attached to the Shares will not be affected by the Share Subdivision.

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 SGM will be convened and held in which an ordinary resolution will be proposed to approve the Share Subdivision. A circular containing, among other things, details of the Share Subdivision and the trading arrangement in respect of the Subdivided Shares together with a notice of SGM will be despatched to the Shareholders on or before 8 December 2015.

PROPOSED SHARE SUBDIVISION

The Board proposes to effect 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. The Share Subdivision will become effective upon the fulfillment of the conditions set out in the paragraph headed “CONDITIONS OF THE SHARE SUBDIVISION” below.

* *For identification purposes only*

EFFECT OF SHARE SUBDIVISION

As at the date of this announcement, 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. Assuming that no further Shares will be issued or repurchased after the date of this announcement 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
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. 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 date of this announcement, 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 date of this announcement, 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.

Save for the Share Options and the Convertible Notes, there are no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the date of this announcement.

The Directors expect that upon the Share Subdivision becoming effective, adjustment will be made to (i) the exercise price and the number of outstanding 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 is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM approving the Share Subdivision;
- (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 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.

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 29 January 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 24 December 2015 to 2 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.

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 the Shares. Although the Share Subdivision will decrease the trading spread and result in downward adjustment to the trading prices of the Shares, the Board believes that 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.

EXPECTED TIMETABLE

The expected timetable for the Share Subdivision is set out below:

Circular relating to the Share Subdivision expected to be
despatched on or about. Tuesday, 8 December 2015

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 Thursday, 24 December 2015

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

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

First day of free exchange of existing certificates (in green) for Shares
for new certificates (in blue) for the Subdivided Shares Thursday, 24 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 Monday,
11 January 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) commences 9:00 a.m. on Monday,
11 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 Friday,
29 January 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 Friday,
29 January 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 Tuesday,
2 February 2016

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

Dates or deadlines specified in this announcement 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.

GENERAL

The SGM will be convened and held in which an ordinary resolution will be proposed to approve the Share Subdivision. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM.

A circular containing, among other things, further details of the Share Subdivision and the trading arrangement in respect of the Subdivided Shares together with a notice of the SGM will be despatched to the Shareholders on or before 8 December 2015.

DEFINITIONS

“Board”	board of the Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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)
“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
“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
“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)”	18,000,000 outstanding share options granted as at the date of this announcement entitling the holders thereof to subscribe for a total of 18,000,000 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

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

Hong Kong, 1 December 2015

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.