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NON-FULFILLMENT OF PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF SINO WEALTH INVESTMENT CO., LIMITED

Reference is made to the announcements of Greater China Financial Holdings Limited dated 28 July 2017, 24 August 2017, 13 September 2017 and 20 October 2017, 14 March 2018 and 27 March 2019 and the circular dated 15 September 2017 (the “**Sino Wealth Circular**”) in relation to, among other things, the acquisition of the entire issued share capital and the assignment of the shareholder’s loan of Sino Wealth Investment Co., Limited (“**Sino Wealth**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Sino Wealth Circular.

Pursuant to the Sale and Purchase Agreement, New Wealth Investment Co., Limited (“**Sino Wealth Vendor**”) guaranteed that the audited net profit after tax of AJSH and its direct wholly-owned subsidiary for the year ended 31 December 2019 would be not less than RMB30 million.

According to the audited consolidated financial statements of the Target Group issued by HLM CPA Limited on 24 March 2020, the audited net loss after tax of AJSH and its direct wholly-owned subsidiary for the year ended 31 December 2019 were approximately RMB33 million. As such, the RMB30 million profit guarantee given by Sino Wealth Vendor is not fulfilled.

Accordingly, Sino Wealth Vendor paid to the Purchaser a cash compensation in the sum of approximately HK\$33.6 million, which being 1.2 times of the profit guarantee of RMB30 million and after deducting the third installment of the consideration HK\$6 million to be paid by the Purchaser to Sino Wealth Vendor.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Yang Dayong and Mr. Zhang Peidong as executive Directors; Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.