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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>

MAJOR TRANSACTION
SUPPLEMENTAL AGREEMENTS IN RELATION TO
THE ACQUISITION OF XIN YUNLIAN
INVESTMENT LIMITED INVOLVING
THE ISSUE OF CONVERTIBLE NOTES, NEW SHARES,
INCENTIVE NOTES AND
CONSIDERATION SHARES UNDER SPECIFIC MANDATE

THE ACQUISITION

On 29 June 2020, the Company, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Vendor Guarantor entered into the Supplemental Agreement under which the parties have agreed to amend the terms of the Acquisition Agreement as set out in the section headed “**THE SUPPLEMENTAL AGREEMENT**” in this announcement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition fall(s) between 25% and 100%, the Acquisition constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve (i) the Acquisition Agreement, the Consultancy Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate for the allotment and issue of the Conversion Shares, the New Shares, the new Shares to be issued under the Incentive Notes and the Consideration Shares. To the best of the Directors' knowledge, information and belief, none of the Shareholder has a material interest in the Acquisition and accordingly none of the Shareholder is required to abstain from voting on the relevant ordinary resolution(s) approving the Acquisition Agreement, the Consultancy Agreement and the transactions contemplated thereunder at the SGM (including the Specific Mandate).

In accordance with Rule 14.41(b) of the Listing Rule, a circular containing, among other things, (i) further information of the Acquisition; (ii) a notice of the SGM; (iii) the valuation report of the Target Group; (iv) the accountants' report of the Target Group; (v) the pro forma financial information on the enlarged Group; and (vi) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 30 June 2020.

Completion is subject to the fulfillment (or waiver) of the conditions precedent set out in the Acquisition Agreement and therefore may or may not be proceeded. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUPPLEMENTAL AGREEMENT

Reference is made to the First Announcement.

On 29 June 2020, the Company, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Vendor Guarantor entered into the Supplemental Agreement by which the terms of the Acquisition have been amended as follows.

1. Consideration for the Acquisition

The consideration for the Acquisition has been reduced from RMB765 million (equivalent to approximately HK\$837.3 million) to HK\$360 million. It will be settled as to HK\$200 million by the issue of the Convertible Notes and as to HK\$160 million by the issue of the New Shares at Completion.

(a) Basis of the Consideration

The revised consideration for the Acquisition was determined based on arm's length negotiations between the Purchaser and the Vendor with reference to, among others, (i) the business model and the large customer database of the Target Group; (ii) the financial performance and position of the Target Group; (iii) the benefits of the Acquisition as disclosed in the section headed "Reasons for and Benefits of the Acquisition" in the First Announcement; and (iv) the valuation of the operating subsidiaries and an associated company of the Target Company prepared by the Valuer as of 31 December 2019.

The Target Company was valued at RMB327.8 million (equivalent to approximately HK\$358.8 million) as at 31 December 2019 based on the valuation of the operating subsidiaries and an associated company of the Target Company (including the equity interest in Zhongyan E-commerce) at RMB642.8 million (equivalent to approximately HK\$703.6 million) as at 31 December 2019 by the Valuer, by way of the income approach.

The Directors (including the independent non-executive Directors) consider that the revised consideration for the Acquisition is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

(b) The Convertible Notes

The principal terms of the Convertible Notes are summarized as follows:

Principal amount:	HK\$200 million
Maturity Date:	The date falling on the fifth anniversary of the issue date (the " Maturity Date ")
Interest rate:	The interest rate is nil for the period commencing upon the Issue Date and expiring on the first anniversary of the Issue Date.

The interest rate is 1% per annum for the period commencing from the first anniversary of the Issue Date and expiring on the second anniversary of the Issue Date.

The interest rate is 4% per annum for the period commencing from the second anniversary of the Issue Date and expiring on the third anniversary of the Issue Date.

The interest rate is 6% per annum for the period commencing from the third anniversary of the Issue Date and expiring on the Maturity Date.

The interest accrued on the Convertible Notes will be payable on the Maturity Date.

Conversion period: The Convertible Notes in the principal amount of the Guaranteed Profit cannot be converted until the Reduction Date under the section headed “**2. The Vendor’s profit guarantee**” in this announcement. Subject to the aforesaid, from the third anniversary of the Issue Date of the Convertible Notes up to the day immediately before the fifth anniversary of the Issue Date, up to 30% of the principal amount of each Convertible Note can be converted. On the Maturity Date, the holder has the right to convert the outstanding principal amount of each Convertible Note in full.

Transferability: The Convertible Notes in the principal amount of the Guaranteed Profit are not transferable until the Reduction Date under the section headed “**2. The Vendor’s profit guarantee**” in this announcement. Subject to the aforesaid, the Convertible Notes may be assigned or transferred at any time by the holder (the principal amount of such Convertible Notes in aggregate subject to the cap of the amount equal to the difference between HK\$200 million and the Guaranteed Profit), provided such assignment or transfer shall also be in compliance with the terms and conditions of the Convertible Notes and further subject to (where applicable) the conditions, approvals, requirements and any other provisions of or under:

- (i) the Stock Exchange (and any other stock exchange on which the Shares may be listed at the relevant time) or its rules and regulations; and
- (ii) the Listing Rules and all applicable laws and regulations.

Conversion Shares: (A) Based on the initial Conversion Price of HK\$1.0 per Conversion Share, 200 million Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes in full.

- (B) The Conversion Shares represent
 - (i) approximately 2.89% of the existing issued share capital of the Company as at the date of this announcement;

- (ii) approximately 2.81% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares only; and
 - (iii) approximately 2.44% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares, the New Shares and the Consideration Shares and the new Shares to be issued under the Incentive Notes.
- (C) The initial Conversion Price of HK\$1.00 per Conversion Share represents:
- (i) a premium of approximately 405.1% over the closing price of HK\$0.198 per Share as quoted on the Stock Exchange as at the date of the Acquisition Agreement;
 - (ii) a premium of approximately 405.1% over the average closing price of approximately HK\$0.198 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Acquisition Agreement; and
 - (iii) a premium of approximately 404.0% over the average closing price of approximately HK\$0.1984 per Share as quoted on the Stock Exchange for the six-month period from 16 May 2019 to 15 November 2019 (the “**Reference Period**”).

The initial Conversion Price was determined after arm’s length negotiation between the Company and the Vendor with reference to, among others, the average closing prices of the Shares during the Reference Period. The Directors consider that the Conversion Price is fair and reasonable.

- (D) The aggregate nominal value of the Conversion Shares (with a par value of HK\$0.001 each) will be HK\$200,000. The issue of the Convertible Notes and allotment and issue of the Conversion Shares are subject to the Specific Mandate to be sought at the SGM.

(c) *The New Shares*

An amount of HK\$160 million out of the revised consideration for the Acquisition will be settled by the issue of the New Shares at the Issue Price on Completion. The New Shares will be subject to a lock-up for a period commencing on the issue date and ending on the day immediately before the first anniversary of the issue date.

The Issue Price of HK\$0.2 per New Share represents:

- (i) a premium of approximately 1.0% over the closing price of HK\$0.198 per Share as quoted on the Stock Exchange as at the date of the Acquisition Agreement;
- (ii) a premium of approximately 1.0% over the average closing price of approximately HK\$0.1980 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Acquisition Agreement; and
- (iii) a discount of approximately 0.8% over the average closing price of approximately HK\$0.1984 per Share as quoted on the Stock Exchange for the Reference Period.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to, among others, the average closing prices of the Shares during the Reference Period. The Directors consider that the Issue Price is fair and reasonable.

The New Shares represent

- (i) approximately 11.55% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 9.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares, the New Shares, the Consideration Shares and the new Shares to be issued under the Incentive Notes.

The allotment and issue of the New Shares is subject to the Specific Mandate to be sought at the SGM.

2. The Vendor's profit guarantee

The Vendor undertook that the audited consolidated net profit of the Target Group (excluding extraordinary gain and gain on merger and acquisition) for the five years ending 31 December 2024 in aggregate shall be not less than RMB153 million (equivalent to approximately HK\$167.5 million) (the “**Guaranteed Profit**”). The Vendor represents that the aggregate consolidated net profit of Xin Yunlian Digital and Xin Yunlian Cloud (excluding extraordinary gain and gain on merger and acquisition) for the five years ending 31 December 2024 is expected to be not less than RMB300 million (equivalent to approximately HK\$328.4 million). The Target Company has a 51% interest in each of Xin Yunlian Digital and Xin Yunlian Cloud.

If the actual audited consolidated net profit of the Target Group (excluding extraordinary gain and gain on merger and acquisition) for the five years ending 31 December 2024 in aggregate (the “**Actual Profit**”) falls short of the Guaranteed Profit, the Vendor will make up the shortfall to be determined in the manner set out below:

$$\text{Reduction Amount} = (A-B) \times 1.2$$

A = the Guaranteed Profit

B = the Actual Profit

The outstanding principal amount of, and the interest accrued on, the Convertible Notes held by the Vendor will be reduced by the Reduction Amount.

For the avoidance of doubt, if the Actual Profit is less than or equal to zero, i.e. the Target Group will be not making profit or making a loss, B will equal to zero. The principal amount of the Convertible Notes shall be reduced by an amount equal to the Reduction Amount within 90 days from the date when the parties confirm the Reduction Amount or any other time as the parties may mutually agree (the “**Reduction Date**”).

3. Incentive payment

To incentivize the Vendor to contribute in the development of the Target Group after Completion, the Company has agreed to issue the Vendor the Incentive Notes or pay the Vendor in cash at the request of the Vendor in the following events:

- (a) In the event that the Actual Profit shall exceed the Guaranteed Profit and shall be less than RMB255 million (equivalent to approximately HK\$279.1 million), the Company shall pay to the Vendor in cash, or issue to the Vendor the Incentive Notes, in the amount equal to 80% of the difference between the Actual Profit and the Guaranteed Profit;

- (b) In the event that the Actual Profit shall be equal to or shall exceed RMB255 million (equivalent to approximately HK\$279.1 million) and shall be less than RMB408 million (equivalent to approximately HK\$446.6 million), the Company shall pay to the Vendor in cash, or issue to the Vendor the Incentive Notes, in the aggregate amount of (i) 80% of the difference between RMB255 million (equivalent to approximately HK\$279.1 million) and the Guaranteed Profit, and (ii) 50% of the difference between the Actual Profit and RMB255 million (equivalent to approximately HK\$279.1 million); and
- (c) In the event that the Actual Profit shall be equal to or shall exceed RMB408 million (equivalent to approximately HK\$446.6 million), the Company shall pay to the Vendor in cash, or issue to the Vendor the Incentive Notes, in the aggregate amount of (i) 80% of the difference between RMB255 million (equivalent to approximately HK\$279.1 million) and the Guaranteed Profit, (ii) 50% of the difference between RMB408 million (equivalent to approximately HK\$446.6 million) and RMB255 million (equivalent to approximately HK\$279.1 million); and (iii) 20% of the difference between the Actual Profit (subject to a cap of RMB612 million (equivalent to approximately HK\$669.9 million)) and RMB408 million (equivalent to approximately HK\$446.6 million).

The terms of the Incentive Notes will be the same as those of the Convertible Notes (except the principal amount and the right to convert the Incentive Notes any time after the issue date of the Incentive Notes).

Based on the initial conversion price of HK\$1.0 per Share and the exchange rate of the date of this announcement:

- (i) in the event in (a) above, approximately 89,316,000 Shares will be allotted and issued upon exercise of the conversion rights attaching to the Incentive Notes in full, representing approximately 1.29% of the issued share capital of the Company as at the date of this announcement; and approximately 1.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares, the New Shares, the Consideration Shares and the new Shares to be issued under the Incentive Notes;
- (ii) in the event of (b) above, approximately 173,050,000 Shares will be allotted and issued upon exercise of the conversion rights attaching to the Incentive Notes representing approximately 2.50% of the issued share capital of the Company as at the date of this announcement; and approximately 2.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares, the New Shares, the Consideration Shares and the new Shares to be issued under the Incentive Notes; and

- (iii) in the event of (c) above, approximately 217,708,000 Shares will be allotted and issued upon exercise of the conversion rights attaching to the Incentive Notes, representing approximately 3.14% of the issued share capital of the Company as at the date of this announcement; and approximately 2.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares, the New Shares, the Consideration Shares and the new Shares to be issued under the Incentive Notes.

The aggregate nominal value of the new Shares to be issued under the Incentive Notes (with a par value of HK\$0.001 each) will be HK\$217,708.

The issue of the Incentive Notes and allotment and issue of new Shares under the Incentive Notes are subject to the Specific Mandate to be sought at the SGM.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition Agreement, the Supplemental Agreement, the Convertible Notes and the Incentive Notes are normal commercial terms, fair and reasonable, and the Acquisition (including the issue of the Convertible Notes, the New Shares and the Incentive Notes) is in the interests of the Company and the Shareholders as a whole.

4. Conditions precedent

The conditions (a) and (b) set out in the section headed “Conditions Precedents” in the First Announcement have been amended as follows:

- (a) the Company having obtained all necessary approvals, authorisations, consents and permits from the Stock Exchange (including but not limited to the approval for the allotment and issue of the Conversion Shares, the New Shares and the Shares to be issued under the Incentive Notes);
- (b) the Shareholders having duly passed the resolutions to approve the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Notes, the New Shares and Shares to be issued under the Incentive Notes.

5. Long Stop Date

The long stop date for the fulfillment of the conditions precedent to the Acquisition Agreement is extended from 15 May 2020 to 15 November 2020.

AMENDMENT TO THE CONSULTANCY AGREEMENT

On 29 June 2020, the Company and the Consultant have entered into a supplemental agreement to the Consultancy Agreement to (1) reduce the Consultancy Fee from HK\$20 million to HK\$10 million and (2) extend the profit guarantee period and adjust the guaranteed amount so as to mirror the changes as set out in the Supplemental Agreement. The issue of the Consideration Shares is subject to the Specific Mandate to be sought at the SGM. The number of new Shares to be issued at the Issue Price to the Consultant as consideration shares will be reduced from 100,000,000 to 50,000,000. If the Actual Profit falls short of the Guaranteed Profit, the Consultant irrevocably assigns the Company to sell the Consideration Shares, and the sale proceeds will be applied to compensate the Company for the shortfall.

The Consultancy Fee shall be settled by the Company by way of issuing the Consideration Shares at the Issue Price under the Specific Mandate to the Consultant or any company wholly-owned by the Consultant within seven Business Days after the satisfaction of the following conditions:

- (a) the entering into of the Acquisition Agreement by the Company, the Purchaser, the Vendor and the Vendor Guarantor;
- (b) the Shareholders having duly passed the resolutions to approve the Consultancy Agreement, the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Notes and the Incentive Notes;
- (c) the Company having obtained all necessary approvals, authorisations, consents and permits from the Stock Exchange (including but not limited to the unconditional approval for the allotment and issue of the Consideration Shares and the Conversion Shares); and
- (d) completion of the Acquisition.

The Consultant has irrevocably undertaken to the Company that the Consultant will not sell, transfer or dispose of the Consideration Shares (i) within five years after the issue of the Consideration Shares; or (ii) until the profit guarantee requirement as stipulated under the Consultancy Agreement and its supplemental agreement is satisfied, whichever is later.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the issue of the New Shares and the Consideration Shares, assuming no conversion of the Convertible Notes and the Incentive Notes and no exercise of options granted by the Company and (iii) immediately after the issue of the New Shares and the Consideration Shares and the full conversion of the Convertible Notes and the Incentive Notes, assuming no exercise of options granted by the Company:

	(i) as at the date of this announcement		(ii) immediately after the issue of New Shares and the Consideration Shares		(iii) immediately after the issue of New Shares, the Consideration Shares and full conversion of the Convertible Notes		(iv) immediately after the issue of New Shares, the Consideration Shares, full conversion of the Convertible Notes and the Incentive Notes (in the case of event (a) under the section headed "Incentive payment")		(v) immediately after the issue of New Shares, the Consideration Shares, full conversion of the Convertible Notes and the Incentive Notes (in the case of event (b) under the section headed "Incentive payment")		(vi) immediately after the issue of New Shares, the Consideration Shares, full conversion of the Convertible Notes and the Incentive Notes (in the case of event (c) under the section headed "Incentive payment")	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Mr. Liu Kequan (note 1)	1,447,750,000	20.91%	1,447,750,000	18.62%	1,447,750,000	18.16%	1,447,750,000	17.95%	1,447,750,000	17.77%	1,447,750,000	17.67%
Mr. Yang Dayong (note 2)	614,826,000	8.88%	614,826,000	7.91%	614,826,000	7.71%	614,826,000	7.62%	614,826,000	7.55%	614,826,000	7.51%
The Vendor	0	0.00%	800,000,000	10.29%	1,000,000,000	12.54%	1,089,316,010	13.51%	1,173,049,770	14.40%	1,217,707,775	14.86%
The Consultant	0	0.00%	50,000,000	0.64%	50,000,000	0.63%	50,000,000	0.62%	50,000,000	0.61%	50,000,000	0.61%
General Shareholders	4,861,501,621	70.21%	4,861,501,621	62.54%	4,861,501,621	60.96%	4,861,501,621	60.30%	4,861,501,621	59.67%	4,861,501,621	59.35%
	<u>6,924,077,621</u>	<u>100%</u>	<u>7,774,077,621</u>	<u>100%</u>	<u>7,974,077,621</u>	<u>100%</u>	<u>8,063,393,631</u>	<u>100%</u>	<u>8,147,127,391</u>	<u>100%</u>	<u>8,191,785,396</u>	<u>100%</u>

Notes:

- The interests are held by Eastern Spring Global Limited. Mr. Liu Kequan is the beneficial owner of the entire issued share capital of Eastern Spring Global Limited.
- The interests include (i) 612,810,000 Shares held by Eternally Sunny Limited and (ii) 2,016,000 Shares held by Ms. Liang Miaoxin, being the spouse of Mr. Yang Dayong. Mr. Yang Dayong is the beneficial owner of the entire issued share capital of Eternally Sunny Limited.
- For illustrative purpose only, based on the initial Conversion Price of HK\$1.0 per Conversion Share, 200,000,000 new Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes in full. The Convertible Notes are subject to restrictions such that upon the conversion of which, the Vendor and his respective associates, together with any parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code, unless (a) such conversion is permissible under the Takeovers Code following the application by the holder of the Convertible Notes and granting by the Executive (as defined in the Takeovers Code) of a whitewash waiver and the approval of the Shareholders in this regard; or (b) such holder of the Convertible Notes has fulfilled sufficient financial resources to make a general offer pursuant to Rule 26 of the Takeovers Code.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition fall(s) between 25% and 100%, the Acquisition constitutes a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Vendor will become a connected person of the Company by reason of the Vendor being a substantial Shareholder upon the allotment and issue of the New Shares.

The valuation of the Target Group was prepared on a discounted cash flow basis under the income approach. Under Rule 14.61 of the Listing Rules, any valuation based on discounted cash flows will be regarded as a profit forecast. The Company will comply with the requirements of Rule 14.60A and Rule 14.62 of the Listing Rules in the circular.

Application will be made by the Company to the Stock Exchange for the grant of listing of and permission to deal in the New Shares, the Consideration Shares, the Conversion Shares and Shares to be issued under conversion of the Incentive Notes.

GENERAL

A SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve (i) the Acquisition Agreement, the Consultancy Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate for the allotment and issue of the Conversion Shares, the New Shares, the new Shares to be issued under the Incentive Notes and the Consideration Shares. To the best of the Directors' knowledge, information and belief, none of the Shareholder has a material interest in the Acquisition and accordingly none of the Shareholder is required to abstain from voting on the relevant ordinary resolution(s) approving the Acquisition Agreement, the Consultancy Agreement and the transactions contemplated thereunder at the SGM.

In accordance with Rule 14.41(b) of the Listing Rules, a circular containing, among other things, (i) further information of the Acquisition; (ii) a notice of the SGM; (iii) the valuation report of the Target Group; (iv) the accountants' report of the Target Group; (v) the pro forma financial information on the enlarged Group; and (vi) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 30 June 2020.

Completion is subject to the fulfillment (or waiver) of the conditions precedent set out in the Acquisition Agreement and therefore may or may not be proceeded. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITION

Unless otherwise specified, terms defined in the First Announcement will bear the same meaning, and the following terms have the following meanings, in this announcement:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendor
“Acquisition Agreement”	the conditional sale and purchase agreement dated 16 November 2019 entered into by the Company, the Purchaser, the Vendor and the Vendor Guarantor in respect of the Acquisition and the Supplemental Agreement
“Actual Profit”	has the meaning ascribed in the paragraph headed “ 2. The Vendor’s profit guarantee ” in this announcement

“Consultancy Agreement”	the agreement dated 16 November 2019 entered into by the Company, the Purchaser and the Consultant in respect of the provision of consultancy service by the Consultant to the Company and the Supplemental Agreement to the Consultancy Agreement
“Convertible Notes”	the convertible notes in the principal amount of HK\$200 million to be created and issued by the Company to settle an amount of HK\$200 million of the Acquisition Consideration, and convertible into Shares
“Conversion Price”	the initial conversion price of HK\$1.0 per Conversion Share or per Share upon conversion of the Incentive Note, as the case may be, subject to adjustment
“First Announcement”	the announcement of the Company dated 16 November 2019 in relation to the Acquisition
“Guaranteed Profit”	has the meaning ascribed in the paragraph headed “ 2. The Vendor’s profit guarantee ” in this announcement
“Incentive Notes”	the convertible notes to be created and issued by the Company to settle the incentive payment and convertible into Shares, the particulars of which are set out in the section headed “ 3. Incentive payment ” in this announcement
“Issue Price”	HK\$0.2, being the issue price per Consideration Share and per New Share
“Maturity Date”	has the meaning ascribed in the paragraph headed “ (b) The Convertible Notes ” in this announcement
“New Shares”	the 800,000,000 Shares to be allotted and issued by the Company to settle an amount of HK\$160 million of the Acquisition Consideration
“Reduction Date”	has the meaning ascribed in the paragraph headed “ 2. The Vendor’s profit guarantee ” in this announcement
“Reference Period”	has the meaning ascribed in the paragraph headed “ (b) The Convertible Notes ” in this announcement
“Specific Mandate”	the specific mandate to be obtained by the Board from the Shareholders at the SGM for the allotment and issue of the Conversion Shares, the New Shares, Shares to be issued under the Incentive Notes and the Consideration Shares

“Supplemental Agreement”	the agreement dated 29 June 2020 supplemental to the conditional sale and purchase agreement dated 16 November 2019 entered into by the Company, the Purchaser, the Vendor and the Vendor Guarantor in respect of the Acquisition
“Supplemental Agreement to the Consultancy Agreement”	the agreement dated 29 June 2020 supplemental to the agreement dated 16 November 2019 entered into by the Company, the Purchaser and the Consultant in respect of the provision of consultancy service by the Consultant to the Company

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 – HK\$1.0946 (being the RMB central parity rate by the People’s Bank of China as at 29 June 2020). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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

Hong Kong, 29 June 2020

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