大中華地產控股有限公司
GREAT CHINA PROPERTIES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 21)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report of Great China Properties Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2019 (the "**Annual Report**"). Unless otherwise specified, capitalised terms used in this supplemental announcement shall have the same meanings as those defined in the Annual Report.

In addition to the information disclosed in the Annual Report, the Board would like to provide additional information pursuant to paragraph 11(8) of Appendix 16 to the Listing Rules in relation to the use of proceeds raised from the Placing completed on 12 August 2019.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Company completed a placing of new shares on 12 August 2019, on which an aggregate of 662,535,000 new shares of the Company had been issued. The net proceeds from the Placing, after deducting the commissions and other fees and expenses in relation to the Placing, amounted to approximately HK$77.59 million. As at 31 December 2019, the Group had used the net proceeds as follows:

Purpose of net proceeds	Planned use of proceeds	Change in use of proceeds during the year ended 31 December 2019	Actual use of proceeds during the year ended 31 December 2019	Unused proceeds as at 31 December 2019
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
To expand the securities advisory and asset management business of the Group	20.00	(20.00)	–	–
For repayment of the shareholders' loan	21.29	37.21	58.50	–
For general working capital	30.00	(10.91)	16.50	2.59
For future business development and investment of the Group	6.30	(6.30)	–	–
Total	**77.59**	**–**	**75.00**	**2.59**

It is expected that the unused proceeds allocated for the general working capital purpose will be fully utilised for the same specific use by 31 December 2020.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

The Company originally expected to use the proceeds to (among others) expand its securities advisory and asset management business and for possible business development and investment of the Group when appropriate opportunities arise. However, due to the impact of the internal and external environment, such as social turmoil in Hong Kong in the second half of 2019 which created uncertainties on the timing of expanding the Group's business, the Board has resolved to reallocate the proceeds ("**Change in Use of Proceeds**") to repaying the shareholders' loan. The substantial shareholder has confirmed that he will continue to provide financial support to the Group as and when needed. The Group will continue to seek for possible business development and investment when appropriate opportunities arise. The Board considers that the Change in Use of Proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

Save as disclosed above, there is no material delay or change in the use of proceeds from the Placing. Further announcement(s) will be made by the Company in relation to the use of the remaining proceeds as and when appropriate. The above supplemental information does not affect other information contained in the Annual Report and save as disclosed above, all other information in the Annual Report remains unchanged.

By order of the Board
Great China Properties Holdings Limited
Huang Shih Tsai
Chairman

Hong Kong, 25 August 2020

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Huang Shih Tsai (Chairman) and Ms. Huang Wenxi (Chief Executive Officer), three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum.

Please also refer to the published version of this announcement on the Company's website http://www.greatchinaproperties.com.