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(Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

DISCLOSEABLE TRANSACTION DISPOSAL OF XIN YUNLIAN INVESTMENT LIMITED

THE DISPOSAL AGREEMENT

The Board announces that on 25 March 2026, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares at the Consideration of HK\$1.00 in aggregate.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) of the Proposed Disposal exceeds 5% but is less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE DISPOSAL AGREEMENT

Details of the Disposal Agreement are set out below:

Date

25 March 2026

Parties

- (1) the Vendor, a direct wholly-owned subsidiary of the Company, as vendor
- (2) the Purchaser, as purchaser

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser is independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be disposed of

The Sale Shares, representing the entire issued share capital of the Disposal Company

Consideration

The Consideration payable by the Purchaser to the Vendor under the Disposal Agreement is HK\$1.00 in aggregate, which was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account (i) the unaudited consolidated net liabilities position of the Disposal Group of approximately HK\$363.80 million as at 31 December 2025; and (ii) the fact that the Disposal Group has stopped all its principal activities since 2024; and (iii) other factors as set out in the paragraph headed "Reasons for and benefits of the Proposed Disposal" in this announcement. The Consideration shall be settled by cash at Completion.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the Consideration (including the payment schedule) is fair and reasonable and on normal commercial terms.

Conditions precedent

Completion is subject to the following conditions being fulfilled and remaining satisfied as at Completion (or, where applicable, waived):

- (a) the approval by the directors of the Vendor for the Disposal Agreement and the transactions contemplated thereby;
- (b) all of the Vendor, the Purchaser, and the Disposal Company having obtained and completed all the government or regulatory consent, permit, approval, registration and filing necessary for the Disposal Agreement and the transactions contemplated thereby;

- (c) the Purchaser being satisfied with the results of the due diligence exercise (whether legal, accounting, business, financial, operational or other aspects that the Purchaser considers relevant) on the Disposal Group and their related business assets, liability, activities, operations, prospects and other status which the Purchaser, his agents or professional advisers think necessary and appropriate to conduct;
- (d) the warranties given by the Vendor in the Disposal Agreement remaining true and accurate in any material respect and not misleading, and no events having suggested that there has been any breach of any of these warranties or other provisions of the Disposal Agreement by the Vendor; and
- (e) there has not been any change which has a material and adverse effect on the financial position, business or property, results of operations, prospects of the Disposal Group as a whole from the date of the Disposal Agreement up to Completion.

The Purchaser may at his absolute discretion at any time waive in writing any of the conditions referred to in sub-paragraphs (c), (d) and (e) above (to the extent it is capable of waiving). Save as aforesaid, none of the above conditions may be waived by either party.

As at the date of this announcement, save for the condition referred to in sub-paragraph (a) above, none of the above conditions have been fulfilled.

If the above conditions are not fulfilled (or, where applicable, waived) on or before 30 April 2026 or such later date as the Vendor and the Purchaser may from time to time agree in writing, the Disposal Agreement shall lapse and be of no further effect except for the provisions concerning, among others, definitions, conditions precedent, confidentiality and announcement, variation, assignment, and governing law and jurisdiction, and no party shall have any claim against or liability to the other party, save in respect of any antecedent breaches.

Completion

Subject to the fulfilment (or, where applicable, waiver) of all the conditions referred to in the paragraph headed “The Disposal Agreement – Conditions precedent” in this announcement, Completion shall take place on the first business day after the fulfilment (or, where applicable, waiver) of all these conditions or such other date as the Vendor and the Purchaser may agree in writing.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company incorporated in the British Virgin Islands with limited liability. The Disposal Company directly and indirectly holds equity interests of eight subsidiaries and one associate established in the PRC. Through these subsidiaries, the Disposal Group is principally engaged in loan financing business (including provision of financial guarantee, micro-financing, loan referral, financial consultancy services in Ningbo, the PRC) and possesses an internet micro-financing license in the PRC, which officially permit it to provide financial products to all registered tobacco retailers across the PRC. Apart from the principally engaged online loan financing business, the Disposal Group is also engaged in other businesses comprising advertising business and e-commerce platform operation targeted to tobacco retailers. However, due to the fact that the Disposal Group's business was adversely affected by the economy and operating environment in the PRC, its loan financing business in Ningbo has completely stopped since 2024.

The following is the key financial information of the Disposal Group extracted from its unaudited consolidated management accounts for the two years ended 31 December 2024 and 2025:

	For the year ended 31 December 2024 <i>HK\$'000</i>	For the year ended 31 December 2025 <i>HK\$'000</i>
Revenue	1,203	664
Net profit/(loss) before tax	(154,505)	(6,687)
Net profit/(loss) after tax	(154,505)	(6,687)

As at 31 December 2025, the unaudited consolidated net liabilities position of the Disposal Group was approximately HK\$363.8 million and the unaudited consolidated total liabilities of the Disposal Group was approximately HK\$382.5 million.

INFORMATION ON THE VENDOR AND THE PURCHASER

The Group is principally engaged in investment holding, manufacturing and trading of flavours and fragrances, tobacco flavours and relevant supplementary materials, industrial property development, general trading of consumable goods and loan financing operations including the provision of loan financing, financial guarantee services, loan referral and consultancy services. The Vendor is a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company. The principal business activity of the Vendor is investment holdings.

The Purchaser is a businessman in the PRC and has over 10 years of experience in the fields of business operation, management and investment. The Purchaser has accumulated experience in industries such as cultural creativity and commercial services, chemical trading, general retail, internet sales, business consulting and financial information consulting services.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Upon Completion, the Group will cease to hold any interest in the Disposal Group. Accordingly, all the members of the Disposal Group will cease to be subsidiaries and associate of the Company and the assets and liabilities (including trade and other receivables and prepayment and deposits of approximately HK\$16.0 million and trade and other payables, accruals of approximately HK\$131.7 million, liabilities for financial guarantee of approximately HK\$79.0 million and borrowings of approximately HK\$171.8 million) of the Disposal Group will no longer be consolidated into the financial statements of the Company.

As a result of the Proposed Disposal, the Company is expected to record a gain of approximately HK\$248.3 million from the Proposed Disposal. Such gain is expected to be calculated based on (i) the Consideration; (ii) the net book value of the Disposal Group as at the date of Completion, after deducting any directly attributable transaction costs; and (iii) the non-controlling interests in the Disposal Group. The actual amount of gain from the Proposed Disposal to be recorded by the Company is subject to final determination based on the net carrying value of the Disposal Group at the date of Completion and will be subject to audit and may therefore differ from the amount currently expected.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The performance of the Group's loan financing business was adversely affected by the economy and operating environment in the PRC in the past few years. The Group has recorded loss in loan financing business since 2019. The lingering impact of the pandemic on borrowers' financial position and creditworthiness has impacted on the customers' level of revenue and limited their repayment capabilities. In particular, the loan financing services in Ningbo have been primarily focused on tobacco retailers who are more vulnerable to deteriorating economic conditions. As a result, the Company recorded a surge in defaults in loan and interest repayments, leading to higher credit risks.

In order to minimise losses, the Group (including the Disposal Group) has suspended the extension of new loans and financial referral services to new borrowers since 2023, and focused on recovering the outstanding loan and interest receivables from customers. In 2024, the loan financing business in Ningbo has completely stopped, while the income generated from the remaining businesses under the Disposal Group proved insufficient to sustain its overall operations. The Disposal Group was loss making and highly indebted with net liabilities position. Given that the Disposal Group is no longer profitable and has no clear plan for its future business prospects and that the Disposal Group has relied on support from the Group to meet its operating expenses and liabilities, hence the Board considers that future capital injection or continued financial support would not be justified.

The Board is of the opinion that the Proposed Disposal could relieve the Group from the financial burden of the Disposal Group. Given the Disposal Group's consecutive years of loss-making status and net liabilities position, the Board considers that the Proposed Disposal will release the Group's liquidity from the Disposal Group and enable more efficient resource allocation towards the Group's remaining business, namely the tobacco flavour operation.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal Agreement are fair and reasonable and the Proposed Disposal is on normal commercial terms or better and in the interest of the Company and its shareholders as a whole.

The proceeds from the Proposed Disposal will be used for general working capital of the Group.

LISTING RULES IMPLICATIONS

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CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 September 2024 and will remain suspended until further notice.

The Company will make further announcement(s) to keep its shareholders and potential investors informed of any progress on the fulfilment of the resumption guidance from the Stock Exchange as and when appropriate.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Greater China Financial Holdings Limited (stock code: 431), a company incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Disposal
“Consideration”	HK\$1.00 in aggregate payable by the Purchaser to the Vendor for the Sale Shares pursuant to the Disposal Agreement
“Director(s)”	the director(s) of the Company from time to time
“Disposal Agreement”	the disposal agreement dated 25 March 2026 and entered into between the Vendor and the Purchaser
“Disposal Company”	Xin Yunlian Investment Limited (新雲聯投資有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Disposal Group”	the Disposal Company, its subsidiaries and associate
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Disposal Agreement
“Purchaser”	Mr. Kan Chao (關超)

“Sale Shares”	50,000 issued shares with a par value of US\$1.00 each in the Disposal Company, representing the entire issued share capital of the Disposal Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Good Set Investments Limited (佳立投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Chen Zheng and Ms. Luo Ruishan as executive Directors; and Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.