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大中華集團有限公司
GREAT CHINA HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 141)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Manager



On 3 November 2017 (after trading hours), the Company and the Placing Manager entered into the Placing Agreement, pursuant to which the Placing Manager has conditionally agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price of HK\$1.50 per Placing Share during the Placing Period.

The maximum number of 31,390,000 Placing Shares represent approximately 10.00% of the existing total issued Shares as at the date of this announcement and approximately 9.09% of the total issued Shares as enlarged by the Placing Shares to be issued pursuant to the Placing.

The Placing Shares will be allotted and issued under the General Mandate.

The Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting placing commission and related expenses and legal fees) from the Placing will amount to approximately HK\$47.09 million and approximately HK\$46.67 million, respectively. The Company intends that the net proceeds of the Placing will be used for general working capital and/or financing future investment or new business development as and when opportunities arise.

As closing of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 3 November 2017 (after trading hours)

Parties: (i) The Company as the issuer; and
(ii) China Everbright Securities (HK) Limited as the placing manager

Placing Manager

Pursuant to the Placing Agreement, the Placing Manager has conditionally agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period and will receive a placing commission of 0.5% on the aggregate Placing Price of the Placing Shares. The Directors are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Placing Manager and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Manager will place the Placing Shares to not less than six Placees, being professional, institutional and/or other investors, who and whose ultimate beneficial owners are not connected persons of the Company. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after taking up the Placing Shares.

Number of Placing Shares

The maximum number of 31,390,000 Placing Shares represent approximately 10.00% of the existing total issued Shares as at the date of this announcement and approximately 9.09% of the total issued Shares of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$1.50 per Share represents:

- (i) a discount of approximately 15.73% to the closing price of HK\$1.78 per Share as quoted on the Stock Exchange on 3 November 2017, being the date of the Placing Agreement;
- (ii) a discount of approximately 13.29% to the average closing price per Share of approximately HK\$1.73 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 3 November 2017; and

- (iii) a discount of approximately 19.35% to the average closing price per Share of approximately HK\$1.86 as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to 3 November 2017.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Manager with reference to market prices of the Shares in recent times and the current market conditions. The Directors consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions precedent to closing of the Placing

Closing of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares;
- (ii) all necessary consents, approvals, authorizations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement;
- (iii) the Placing Manager having received from the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement; and
- (iv) the obligations of the Placing Manager under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

Pursuant to the terms of the Placing Agreement, in the event the above conditions have not been fulfilled (or waived by the Placing Manager) on or prior to the 30th day after the date of the Placing Agreement, the Placing Agreement shall cease and determine and none of the parties shall be under any liability to the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination of the Placing Agreement

Pursuant to the terms of the Placing Agreement, if at any time prior to 6: 00 a.m. on the third Business Day following the satisfaction of the conditions precedent under the Placing Agreement (or such later date as the Company and the Placing Manager shall agree) (the "Closing Time") in the reasonable opinion of the Placing Manager, the success of the Placing or the business or financial conditions or prospects of the Company or the Group would or might be adversely affected by:

- (a) there develops, occurs or comes into force:
 - (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or

- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any change in conditions of local, national or international securities markets; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (v) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or any jurisdictions in which any member of the Group is incorporated or operates; or
 - (vi) any material litigation or claim being instigated against any member of the Group; or
 - (vii) any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Manager or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Time which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) there is any material adverse change in the financial position of the Company,

the Placing Manager may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company and in such event, the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Closing of the Placing

Closing of the Placing shall take place on the Closing Date.

As closing of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL MANDATE

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM pursuant to which the Directors are authorised to issue up to 62,796,982 Shares (representing 20% of the total number of issued Shares as at the date of the AGM). Up to the date of this announcement, no Share has been issued under the General Mandate.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activities of the Group are (i) leasing of properties in the People's Republic of China; and (ii) trading of properties.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting placing commission and related expenses and legal fees) from the Placing will amount to approximately HK\$47.09 million and approximately HK\$46.67 million (representing a net price of approximately HK\$1.49 per Placing Share), respectively.

The Company intends that the net proceeds of the Placing will be used for general working capital and/or financing future investment or new business development as and when opportunities arise. The Group will seek suitable business and investment opportunities, including the feasibility of diversifying the income stream of the Group by exploring opportunities in different business areas such as, without limitation to, financial technology related innovative business, thereby promoting the growth and future development of the Group. The Directors are of the view that the Placing will strengthen the Group's financial position and provide funding for meeting future working capital needs for potential investment and other development opportunities. In addition, the Placing will enlarge the shareholder base of the Company. In view of the foregoing, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after closing of the Placing (assuming that all the Placing Shares are placed and there is no change in the number of issued Shares between the date of this announcement and the closing of the Placing) are as follows:

Name of Shareholders	As at the date of this announcement		Immediately after the closing of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Jiang Tian ^(Note)	173,622,577	55.30	173,622,577	50.27
The Places	—	—	31,390,000	9.09
Existing public Shareholders	<u>140,362,333</u>	<u>44.70</u>	<u>140,362,333</u>	<u>40.64</u>
	<u>313,984,910</u>	<u>100.00</u>	<u>345,374,910</u>	<u>100.00</u>

Note: Mr. Jiang Tian is deemed to be interested in 173,622,577 Shares, among which 172,732,577 Shares are held by Hopevision and 890,000 Shares are held in his own capacity. Hopevision is indirectly wholly owned by Shanghai Chongsheng Investment Management Co., Ltd. which in turn is owned as to 99% by Mr. Jiang Tian and 1% by Mr. Gong Biao, an executive Director.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Set out below is the equity fund raising activity conducted by the Company in the past twelve months prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of the net proceeds up to the date of this announcement
10 February 2017	Placing under general mandate	HK\$74.72 million	For general working capital and/or financing future investment or new business development as and when opportunities arise	(a) As to approximately HK\$3.33 million has been applied as general working capital of the Company; and (b) the remaining balance of the proceeds raised remained unutilised and is being deposited in the Group's bank accounts and would be utilised as intended.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, terms used in this announcement shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 6 June 2017
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays or public holidays) on which banks are generally open for business in Hong Kong
“Closing Date”	the fifth Business Day following the satisfaction (or waiver) of all the conditions specified in the Placing Agreement or such other date as the Company and the Placing Manager may agree

“Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 141)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then total issued Shares as at the date of the AGM
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hopevision”	Hopevision Group Ltd., a company incorporated in the Republic of Seychelles
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are independent of and not connected with the Company or any Director, chief executive, substantial Shareholder (as defined under the Listing Rules) or connected persons of the Company or any of its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional and/or other investor(s) selected and procured by or on behalf of the Placing Manager as contemplated by the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Manager pursuant to the terms of the Placing Agreement
“Placing Agreement”	a conditional placing agreement dated 3 November 2017 and entered into between the Company and the Placing Manager in relation to the Placing
“Placing Manager”	China Everbright Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Period”	the period commencing from the execution of the Placing Agreement and ending on the Closing Date or the 30th day after the date of the Placing Agreement (whichever date is the earlier) (both days inclusive)

“Placing Price”	HK\$1.50 per Placing Share
“Placing Shares”	up to a maximum of 31,390,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Great China Holdings Limited
JIANG Tian
Chairman

Hong Kong, 3 November 2017

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. JIANG Tian, Mr. LAI Han, Ms. HOU Yingxuan, Mr. GONG Biao and Ms. GU Ming; one non-executive Director, namely, Mr. CHAI Yuet; and three independent non-executive Directors, namely, Ms. LI Ping, Mr. HU Jianxing and Mrs. Patricia Bee Kuen THOMAS.