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If you have sold or transferred all your shares in Great China Holdings Limited, you should at once hand this circular and the accompanying forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Great China Holdings Limited to be held at 6th Floor, No. 9 Des Voeux Road West, Hong Kong on Friday, 18 May 2007 at 9:00 a.m. at which the above proposals will be considered is set out on pages 9 to 11 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the registered office of the Company. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Re-election of Retiring Directors	4
General Mandate and Repurchase Mandate	4
AGM	4
Recommendation	4
Appendix I – Information on Retiring Directors	5
Appendix II – Explanatory Statement for Repurchase Mandate	6
Appendix III – Poll Procedures	8
Notice of AGM	9

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“the AGM”	the annual general meeting, and any adjournment thereof, of the Company scheduled to be held on Friday, 18 May 2007 at 9:00 a.m. at 6th Floor, No. 9 Des Voeux Road West, Hong Kong, notice of which is set out on pages 9 to 11 of this circular
“the Articles of Association”	the Articles of Association of the Company
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“the Board”	the board of directors of the Company
“the Companies Ordinance”	the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“the Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“the Director(s)”	the director(s) of the Company
“the General Mandate”	the general mandate to issue and allot new Shares, to be granted to the Directors upon approval by Shareholders at the AGM
“the Group”	the Company and its subsidiaries
“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
“the Latest Practicable Date”	20 April 2007 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“the Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“the Repurchase Mandate”	the general mandate to repurchase Shares, to be granted to the Directors upon approval by Shareholders at the AGM
“the Retiring Directors”	the Directors retiring at the AGM and, being eligible, offering themselves for re-election at the AGM in accordance with the Articles of Association

DEFINITIONS

“the Securities and Futures Ordinance”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited or, as the context may require, the main board for the listing of securities operated by it



GREAT CHINA HOLDINGS LIMITED
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Directors

Executive Directors

Mr Rustom Ming Yu HO (*Chairman*)

Mr John Ming Tak HO (*Managing Director*)

Mr Kwok Wai POON

Registered Office

6th Floor

No. 9 Des Voeux Road West

Hong Kong

Independent Non-executive Directors

Mr Lawrence Kam Kee YU

Mr David Hon To YU

Mr Hsu Chou WU

25 April 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Company will propose at the AGM resolutions to, among other matters, re-elect the Retiring Directors and grant to the Directors the General Mandate and the Repurchase Mandate to issue and repurchase Shares upon the expiry of the existing mandates that were granted to the Directors at the annual general meeting held on 19 May 2006.

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 104(A) of the Articles of Association, Mr Lawrence Kam Kee YU and Mr Hsu Chou WU retire by rotation at the AGM and, being eligible, will offer themselves for re-election. Information on the above Directors as required to be disclosed under rule 13.74 of the Listing Rules is set out in Appendix I to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 19 May 2006, ordinary resolutions were passed to grant general mandates to the Directors to issue, allot and otherwise deal with additional Shares and to repurchase Shares. These general mandates will expire at the conclusion of the AGM. Resolutions will be proposed at the AGM to grant the General Mandate and the Repurchase Mandate to the Directors. The Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

Subject to the passing of Ordinary Resolution No 5 at the AGM, the Company would be allowed under the General Mandate to issue and allot a maximum of 52,336,982 new Shares, being 20% of the number of issued Shares as at the Latest Practicable Date.

An explanatory statement as required by rule 10.06(1)(b) of the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

AGM

Notice convening the AGM is set out on pages 9 to 11 of this circular. At the AGM, resolutions will be proposed to re-elect the Retiring Directors and to approve the granting of the General Mandate and the Repurchase Mandate. Shareholders or their proxies are entitled to demand a poll at any general meeting. Details of the poll procedures are set out in Appendix III to this circular.

Form of proxy for the AGM is enclosed. Whether or not you intend to attend the AGM, please complete the form of proxy as instructed and return the same to the Company Secretary at the registered office of the Company at 6th Floor, No. 9 Des Voeux Road West, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the meeting. You can still attend and vote at the AGM even if you have completed and sent in the proxy form.

RECOMMENDATION

Your Directors believe that the re-election of the Retiring Directors and the granting of the General Mandate and the Repurchase Mandate are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that you vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board

John Ming Tak HO
Managing Director

The following is the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the AGM.

Mr Lawrence Kam Kee YU, *BBS, MBE, JP*, aged 61, has been an independent non-executive director of the Company since November 1994. Mr Lawrence Yu is currently the Chairman of Softbank Investment International (Strategic) Limited, Wing On Travel (Holdings) Limited and See Corporation Limited (formerly Ruili Holdings Limited). All the above three companies are listed on The Stock Exchange of Hong Kong Limited. Mr Lawrence Yu has over 36 years of senior management experience. He also serves on many charitable and social organizations, and is currently the Co-Chairman of the Campaign Committee of The Community Chest of Hong Kong, Director of the Hong Kong Football Association Limited, Governor of the Hong Kong Automobile Association, and the Chairman of the Campaign Committee of The Road Safety Council.

Mr Hsu Chou WU, aged 52, was appointed as an independent non-executive director of the Company on 20th September, 2004. Mr Wu is a member of the Taipei Bar Association. He is currently the Chairman of the Eurasia Law Office in Taipei. He is also a committee member of the Taipei County Construction and Building Commission, a committee member of the Taipei County Consumption Dispute Accommodation Commission, a committee member of the Law and Regulation Commission of the Ministry of Interior in Taiwan, and a legal consultant of the National Police Agency of the Ministry of Interior in Taiwan. Mr Wu is the author of the book “Far Away From Medical Dispute”.

Save as mentioned above, there is no other information regarding the Retiring Directors that needs to be disclosed pursuant to any of the requirements set out in rule 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to Shareholders for their consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 261,684,910 Shares. Subject to the passing of Ordinary Resolution No 6 at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 26,168,491 Shares, being 10% of the number of issued Shares as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate granted to them if the Ordinary Resolution No. 6 set out in the AGM notice is passed would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share.

3. SOURCE OF FUNDS

The Directors propose that repurchase of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of Hong Kong. Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2006, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

4. DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates presently intend to sell Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any Connected Persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Mandate is granted by the Shareholders.

5. MARKET PRICES

The highest and lowest traded market prices for the Shares as recorded on the Stock Exchange during each of the previous twelve months before the printing of this document were as follows:

	Traded market price	
	Highest (HK\$)	Lowest (HK\$)
2006:		
April	0.60	0.49
May	0.75	0.56
June	0.64	0.52
July	0.66	0.52
August	0.65	0.60
September	0.63	0.60
October	0.63	0.53
November	1.00	0.51
December	0.85	0.55
2007:		
January	0.60	0.495
February	0.68	0.52
March	0.87	0.52
April (up to the Latest Practicable Date)	1.30	0.77

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a share repurchase made by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Board, have such a consequence, the Board would not exercise the Repurchase Mandate to such an extent.

The register of substantial Shareholders maintained under section 336 of the Securities and Futures Ordinance shows that, as at the Latest Practicable Date, the substantial Shareholders collectively held an aggregate of 73.67% of the issued share capital of the Company. If the Repurchase Mandate is exercised in full, the aggregate shareholding of the substantial Shareholders will be increased to 81.86%. It is the intention of the Board to maintain the listing of the Company on the Stock Exchange. The Board would not exercise the Repurchase Mandate to an extent that would result in the aggregate shareholding of the substantial Shareholders exceeding 75% of the issued share capital of the Company.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

Article 75 of the Articles of Association sets out the procedures under which a poll may be demanded:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

NOTICE OF ANNUAL GENERAL MEETING



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

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at 6th Floor, No. 9 Des Voeux Road West, Hong Kong on Friday, 18 May 2007 at 9:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Annual Report of the Company for the year ended 31 December 2006;
2. To approve the payment of final dividend of HK\$0.01 for each Share for 2006;
3. To re-elect Directors and to authorise the Board to fix their remuneration;
4. To appoint Deloitte Touche Tohmatsu as auditors and to authorise the Board to fix their remuneration;

SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT there be granted to the Directors of the Company an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period save that the Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company; and (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company made to holders of shares on the register of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in Hong Kong, or in any other territory).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** there be granted to the Directors of the Company an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of the Company of all powers of the Company to repurchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company may at their discretion determine;
 - (c) the aggregate nominal amount of the shares repurchased or agreed to be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution; and
 - (d) for the purposes of this Resolution “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**, conditional upon the passing of Resolutions 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which shall have been repurchased by the Company pursuant to and in accordance with Resolution 6 above, shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with Resolution 5 above, provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution.”

By order of the Board
Andy Kam Kee WONG
Company Secretary

Hong Kong, 25 April 2007

Note:

Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s registered office, 6th Floor, No. 9 Des Voeux Road West, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting.