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

(Incorporated in Hong Kong with limited liabilities)

(Stock code: 141)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The Board of Directors (the "Board") of Great China Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2011 together with the comparative figures of the corresponding last year. The Group's audited consolidated financial statements for the year ended 31 December 2011 have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Revenue	*2*	**1,802,709**	2,467,033
Cost of sales		**(1,756,770)**	(2,278,114)
Gross profit		**45,939**	188,919
Other income	*3*	**90,968**	50,292
Increase in fair value of investment properties		**76,797**	58,246
Change in fair value of financial assets designated at fair value through profit or loss		**—**	661
Change in fair value of derivative financial instruments		**(18,672)**	(16,724)
Gain on disposal of available-for-sale financial assets		**—**	750
Impairment loss on available-for-sale financial assets		**(24)**	(3)
Distribution costs		**(66,539)**	(109,863)
Administrative expenses		**(34,335)**	(40,973)
Finance costs	*4*	**(21,130)**	(12,915)
Share of results of associates		**(940)**	9,680
Profit before taxation	*5*	**72,064**	128,070
Income tax expense	*6*	**(16,193)**	(10,833)
Profit for the year attributable to owners of the Company		**55,871**	117,237
Earnings per share — Basic	*7*	**HK21.35 cents**	HK44.80 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	2011	2010
	HK$'000	*HK$'000*
Profit for the year	**55,871**	117,237
Other comprehensive income		
Exchange difference arising on translation	**29,706**	31,071
Increase in fair value of available-for-sale financial assets	**430**	565
Reclassification adjustment for cumulative gain included in profit or loss upon disposal	**—**	(750)
Other comprehensive income for the year	**30,136**	30,886
Total comprehensive income for the year attributable to owners of the Company	**86,007**	148,123

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Goodwill		**3,000**	3,000
Investment properties		**934,403**	841,098
Property, plant and equipment		**49,667**	50,563
Prepaid lease payments for land		**275**	279
Interests in associates		**146,450**	137,958
Loan to an associate		**17,290**	16,911
Amount due from an associate		**44,678**	44,640
Available-for-sale financial assets		**2,158**	1,752
Derivative financial assets		**574**	—
Restricted bank deposit		**16,659**	—
		1,215,154	1,096,201
Current assets			
Properties held for sale		**19,109**	17,996
Inventories		**22,287**	29,100
Prepaid lease payments for land		**4**	4
Trade and other receivables	*9*	**669,601**	580,530
Tax recoverable		**548**	—
Derivative financial assets		**3,291**	112
Pledged bank deposits		**616,494**	524,699
Structured bank deposits		**274,757**	283,165
Bank balances and cash		**91,430**	193,303
		1,697,521	1,628,909

	Notes	2011 HK$'000	2010 HK$'000
Current liabilities			
Trade and bills payables	*10*	**494,412**	297,130
Other payables and accrued expenses		**55,939**	53,218
Rental deposits received		**2,348**	1,344
Borrowings		**957,487**	1,131,861
Taxation payable		**3,694**	3,195
Derivative financial liabilities		**14,115**	16,483
		1,527,995	1,503,231
Net current assets		**169,526**	125,678
Total assets less current liabilities		**1,384,680**	1,221,879
Non-current liabilities			
Derivative financial liabilities		**1,527**	—
Borrowings		**180,212**	117,888
Deferred tax liabilities		**119,261**	103,298
Rental deposits received		**5,140**	5,543
		306,140	226,729
Net assets		**1,078,540**	995,150
Capital and reserves			
Share capital		**52,337**	52,337
Reserves		**1,026,203**	942,813
Total equity		**1,078,540**	995,150

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Share capital *HK$'000*	Share premium *HK$'000*	Exchange reserve *HK$'000*	Properties revaluation reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1 January 2010	52,337	19,516	80,236	495	1,025	698,652	852,261
Exchange difference arising on translation	—	—	31,071	—	—	—	31,071
Increase in fair value of available-for-sale financial assets	—	—	—	—	565	—	565
Reclassification adjustment for cumulative gain included in profit or loss upon disposal	—	—	—	—	(750)	—	(750)
Other comprehensive income for the year	—	—	31,071	—	(185)	—	30,886
Profit for the year	—	—	—	—	—	117,237	117,237
Total comprehensive income for the year	—	—	31,071	—	(185)	117,237	148,123
Dividends paid *(note 8)*	—	—	—	—	—	(5,234)	(5,234)
At 31 December 2010	52,337	19,516	111,307	495	840	810,655	995,150
Exchange difference arising on translation	—	—	29,706	—	—	—	29,706
Increase in fair value of available-for-sale financial assets	—	—	—	—	430	—	430
Other comprehensive income for the year	—	—	29,706	—	430	—	30,136
Profit for the year	—	—	—	—	—	55,871	55,871
Total comprehensive income for the year	—	—	29,706	—	430	55,871	86,007
Dividends paid *(note 8)*	—	—	—	—	—	(2,617)	(2,617)
At 31 December 2011	**52,337**	**19,516**	**141,013**	**495**	**1,270**	**863,909**	**1,078,540**

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) — Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 January 2012.
5 Effective for annual periods beginning on or after 1 July 2012.
6 Effective for annual periods beginning on or after 1 January 2014.

Amendments to HKFRS 7 "Disclosures — Transfers of Financial Assets"

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

Amendments to HKAS 32 "Offsetting Financial Assets and Financial Liabilities" and amendments to HKFRS 7 "Disclosures — Offsetting Financial Assets and Financial Liabilities"

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK (SIC) — Int 12 "Consolidation — Special Purpose Entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The directors are in the process of assessing the impact of the application of these standards on the results and financial position of the Group.

HKFRS 13 "Fair Value Measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 "Deferred Tax — Recovery of Underlying Assets"

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the results and financial position of the Group and the Company.

2. SEGMENT INFORMATION

Revenue represents revenue arising on sale of fishmeal and tapioca chips, sale of properties, rental and leasing and agency fee income for the year. An analysis of the Group's revenue for the year is as follows:

	2011	2010
	HK$'000	*HK$'000*
Sales of goods	**1,768,454**	2,432,803
Rental income from investment properties	**33,620**	31,364
Agency fee income	**635**	2,866
	1,802,709	2,467,033

The Group's operating and reportable segments under HKFRS 8 are as follows:

1. General trading — trading of fishmeal and tapioca chips

2. Property investment in Hong Kong — leasing of properties situated in Hong Kong

3. Property investment in the People's Republic of China (the "PRC") — leasing of properties situated in the PRC and agency services in the PRC

4. Trading of properties — sale of properties situated in the PRC

Information regarding the above segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

2011

	General trading *HK$'000*	**Property investment in Hong Kong** *HK$'000*	**Property investment in the PRC** *HK$'000*	**Trading of properties** *HK$'000*	**Consolidated** *HK$'000*
REVENUE					
External sales	**1,768,538**	**13,775**	**20,396**	**—**	**1,802,709**
Segment (loss) profit after tax	**(17,362)**	**55,678**	**26,721**	**—**	**65,037**
Impairment loss on available-for-sale financial assets					**(24)**
Central administration costs					**(8,552)**
Unallocated finance costs					**(333)**
Unallocated income tax expense					**(257)**
Profit for the year					**55,871**

2010

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Consolidated *HK$'000*
REVENUE					
External sales	2,434,968	13,635	18,430	—	2,467,033
Segment profit after tax	48,875	31,677	46,702	—	127,254
Change in fair value of financial assets designated at fair value through profit or loss					661
Gain on disposal of available-for-sale financial assets					750
Impairment loss on available-for-sale financial assets					(3)
Central administration costs					(8,904)
Unallocated finance costs					(994)
Unallocated income tax expense					(1,527)
Profit for the year					117,237

Segment (loss) profit after tax represents (loss incurred) profit earned by each reportable segment without allocation of income and expenses of the Group's head office, including: change in fair value of financial assets designated at fair value through profit or loss, gain on disposal of available-for-sale financial assets, impairment loss on available-for-sale financial assets, central administration costs, unallocated finance costs and unallocated income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment.

At 31 December 2011

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Consolidated *HK$'000*
ASSETS					
Segment assets	**1,679,773**	**516,751**	**648,561**	**19,109**	**2,864,194**
Corporate assets					**48,481**
Consolidated assets					**2,912,675**
LIABILITIES					
Segment liabilities	**1,465,527**	**177,961**	**81,319**	**—**	**1,724,807**
Corporate liabilities					**109,328**
Consolidated liabilities					**1,834,135**

At 31 December 2010

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Consolidated *HK$'000*
ASSETS					
Segment assets	1,590,542	464,992	599,014	17,996	2,672,544
Corporate assets					52,566
Consolidated assets					2,725,110
LIABILITIES					
Segment liabilities	1,454,338	113,755	84,770	—	1,652,863
Corporate liabilities					77,097
Consolidated liabilities					1,729,960

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than the Group head office's corporate assets; and
- all liabilities are allocated to reportable segments other than the Group head office's corporate liabilities.

Other segment information

2011

Amounts included in segment profit or segment assets:

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Additions to non-current assets *(Note)*	756	—	322	—	—	1,078
Interests in associates	—	—	146,450	—	—	146,450
Share of losses of associates	—	—	940	—	—	940
Increase in fair value of investment properties	—	(52,530)	(24,267)	—	—	(76,797)
Depreciation of property, plant and equipment	312	7	881	—	994	2,194
Amortisation of prepaid lease payments for land	—	—	4	—	—	4
Gain on disposal of property, plant and equipment	(640)	—	—	—	—	(640)
Change in fair value of derivative financial instruments	18,672	—	—	—	—	18,672
Allowance for doubtful debt	—	—	83	—	—	83
Allowance for inventories	2,453	—	—	—	—	2,453
Exchange (gain) loss, net	(52,679)	7	(108)	—	628	(52,152)
Bank interest income	(35,873)	—	(35)	—	(1)	(35,909)
Imputed interest income on loan to an associate	—	—	(338)	—	—	(338)
Imputed interest income on amount due from an associate	—	—	(893)	—	—	(893)
Interest expense	18,850	1,047	900	—	333	21,130
Income tax expense	1,543	8,811	5,582	—	257	16,193

2010

Amounts included in segment profit or segment assets:

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Additions to non-current assets *(Note)*	664	37,862	436	—	—	38,962
Interests in associates	—	—	137,958	—	—	137,958
Share of profits of associates	—	—	(9,680)	—	—	(9,680)
Increase in fair value of investment properties	—	(23,358)	(34,888)	—	—	(58,246)
Depreciation of property, plant and equipment	588	9	829	—	995	2,421
Amortisation of prepaid lease payments for land	—	—	4	—	—	4
Gain on disposal of property, plant and equipment	—	(8)	(218)	—	—	(226)
Change in fair value of derivative financial instruments	16,724	—	—	—	—	16,724
Reversal of allowance for doubtful debts	—	—	(468)	—	—	(468)
Allowance for inventories	1,415	—	—	—	—	1,415
Exchange (gain) loss, net	(33,973)	(4)	(202)	—	708	(33,471)
Bank interest income	(14,349)	—	(67)	—	—	(14,416)
Imputed interest income on loan to an associate	—	—	(331)	—	—	(331)
Interest expense	9,926	638	1,357	—	994	12,915
Income tax expense	46	3,998	5,262	—	1,527	10,833

Note: Non-current assets excluded financial instruments.

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue by location of customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue		**Non-current assets**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**13,775**	13,635	**559,803**	508,274
Other regions in the PRC	**1,788,934**	2,453,398	**573,992**	524,624
	1,802,709	2,467,033	**1,133,795**	1,032,898

Note: Non-current assets excluded financial instruments.

Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group of the corresponding years is as follows:

	2011	2010
	HK$'000	*HK$'000*
Customer A	**N/A***	633,677
Customer B	**N/A***	272,607
Customer C	**N/A***	251,370

Revenue from the above customers are from the general trading segment.

* In the current year, revenue from individual customer did not contribute over 10% of the total sales of the Group.

3. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Bank interest income	**35,909**	14,416
Exchange gain, net *(Note)*	**52,152**	33,471
Gain on disposal of property, plant and equipment	**640**	226
Imputed interest income on loan to an associate	**338**	331
Imputed interest income on amount due from an associate	**893**	—
Sundry	**1,036**	1,848
	90,968	50,292

Note: Included in exchange gain is an unrealised gain of HK$26,883,000 (2010: HK$15,649,000) arising from re-translation of foreign currency pledged bank deposits and bills receivables which are denominated in Renminbi ("RMB") at the rate prevailing at the end of the reporting period. The Group has entered into arrangements with banks that these pledged bank deposits and bills receivables will be exchanged to United States dollars ("USD") to settle bank loans denominated in USD. At the same time, the Group has entered into foreign currency non-deliverable forward contracts which effectively fixed the exchange rate to convert the pledged bank deposits and bills receivable into USD on settlement dates of the relevant bank loans. The management is of the view that the above arrangements reduce the Group's exposure to currency fluctuations risk on these foreign currency balances.

Since the exchange rate prevailing at 31 December 2011 is more favorable than the forward contract rates, the management expects a net loss on reversal of exchange gain and change in fair value of these non-deliverable foreign currency forward contracts will be recognised from the above arrangements next year.

4. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans		
— wholly repayable within five years	**19,108**	11,283
— not wholly repayable within five years	**2,022**	1,632
	21,130	12,915

5. PROFIT BEFORE TAXATION

	2011	2010
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Allowance (reversal of allowance) for doubtful debts	**83**	(468)
Amortisation of prepaid lease payments for land	**4**	4
Auditor's remuneration	**1,230**	1,230
Cost of inventories recognised as an expense	**1,756,770**	2,278,114
Depreciation of property, plant and equipment	**2,194**	2,421
Allowance for inventories	**2,453**	1,415
Share of taxation of an associate	**323**	3,614
Staff costs including directors' emoluments	**18,799**	19,546
Gross rental income from investment properties	**(33,620)**	(31,364)
Less: Outgoings	**3,687**	1,349
Net rental income from investment properties	**(29,933)**	(30,015)

Minimum lease payments for operating leases in respect of staff quarters amounting to HK$2,313,000 (2010: HK$2,213,000) are included in staff costs.

6. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**1,763**	1,718
Overprovision in prior years	**(37)**	—
	1,726	1,718
Other jurisdiction		
Current year	**414**	121
Overprovision in prior years	**—**	(4)
	414	117
Deferred tax liabilities		
Current year	**14,053**	8,998
Taxation attributable to the Company and its subsidiaries	**16,193**	10,833

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

7. EARNINGS PER SHARE — BASIC

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	2011 *HK$'000*	2010 *HK$'000*
Earnings for the purpose of basic earnings per share:		
Profit for the year attributable to owners of the Company	**55,871**	117,237

	Number of shares 2011	 2010
Number of ordinary shares for the purpose of basic earnings per share	**261,684,910**	261,684,910

No diluted earnings per share has been presented as there were no potential ordinary shares in both years.

8. DIVIDENDS

	2011 *HK$'000*	2010 *HK$'000*
Interim dividend paid for 2011 of nil (2010: HK$0.01) per ordinary share	—	2,617
Final dividend paid for 2010 of HK$0.01 (2010: for 2009 of HK$0.01) per ordinary share	**2,617**	2,617
	2,617	5,234

The final dividend of HK$0.01 per share for the year ended 31 December 2011 (2010: HK$0.01 per share) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. TRADE AND OTHER RECEIVABLES

	2011 *HK$'000*	2010 *HK$'000*
Trade and bills receivables	**622,060**	550,374
Less: Allowance for doubtful debts	**(677)**	(594)
	621,383	549,780
Prepayments and deposits	**5,226**	3,232
Other receivables	**42,992**	27,518
Trade and other receivables	**669,601**	580,530

A significant portion of the Group's bills receivables are on sight letter of credit, usance letter of credit up to a tenor of 365 days and bank's acceptance bills up to a tenor of 180 days. For other trade receivables, the Group allows a credit period ranging from 30 to 90 days (2010: 30 to 90 days).

Included in trade and other receivables are trade and bills receivables with an aged analysis based on invoice date as follows:

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**209,297**	122,514
31 – 60 days	**19,909**	23
61 – 90 days	**7,628**	8,183
91 – 120 days	**58,943**	419,060
Over 120 days	**325,606**	—
	621,383	549,780

Before accepting any new customer, the Group carries out research on the creditability of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year.

Ageing of trade receivables which are past due but not impaired

	2011	2010
	HK$'000	*HK$'000*
91 – 120 days	**—**	122,498
Over 120 days	**32,437**	—
	32,437	122,498

At 31 December 2011, included in trade receivables and other receivables are carrying amounts of HK$32,396,000 (2010: HK$130,630,000) and HK$13,067,000 (2010: HK$12,118,000) respectively, due from a customer, Guangzhou Jinhe Feed Company Limited ("Jinhe") of which HK$32,396,000 (2010: HK$122,498,000) of the trade receivable and the other receivable balances are past due as at the reporting date for which the Group has not provided for impairment loss. The Group holds a guarantee from Mr. Wang Xianning (the "Guarantor") who pledged all his rights and interests in a property investment project (the "Collateral") to secure the receivables from Jinhe.

On 29 March 2011, the Shanghai No. 2 Intermediate People's Court (the "Shanghai Court") accepted the Group's writ application against Jinhe (as first defendant), together with Mr. Wong Hiuman (as second defendant who shares joint and several liabilities over the payment obligation of Jinhe under the fishmeal trading contracts) and the Guarantor (as third defendant) (collectively referred to as the "Defendants").

On 31 March 2011, the Group obtained an assets preservation order (the "First Order") from the Shanghai Court to seal up certain assets, including the Collateral, of the Defendants. The Group has paid RMB5,536,000 (equivalent to approximately HK$6,832,000) to the Shanghai Court and sealed up certain buildings, land use rights and properties held for sale with carrying amounts of HK$2,659,000, HK$279,000 and HK$1,356,000 respectively as guarantee for the application of the First Order.

On 13 November 2011, the Group withdrew the writ application against the Guarantor from the Shanghai Court and made an arbitration application to the China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission (the "Arbitration Commission") against the Guarantor. The Group sought for judgment from the Arbitration Commission to request the Guarantor to reimburse the Group for amounts due from Jinhe. On the same date, the Collateral was released from the First Order.

On 28 November 2011, the Group, through the application to the Arbitration Commission, obtained an assets preservation order (the "Second Order") from the Heyuan Intermediate People's Court (the "Heyuan Court") to seal up the Collateral pledged by the Guarantor. The Group has charged a time deposit amount to RMB13,500,000 (equivalent to approximately HK$16,659,000) to the Heyuan Court as guarantee for the application of the Second Order.

The next Shanghai Court hearing and Arbitration Commission hearing are expected to be held in April 2012.

The management of the Company considered the Group's legal counsel's opinion and is of the view that the amounts due from Jinhe are recoverable. The management of the Company considered that the Collateral is properly secured and estimated that the fair value of the Collateral exceeded the carrying amount of the receivables, therefore, no impairment loss is provided.

At 31 December 2011, the carrying amount of bills receivables with recourse, which had been discounted to certain banks as security for the borrowing was HK$493,263,000 (2010: HK$122,488,000). The carrying amount of the associated liability was HK$487,048,000 (2010: HK$121,325,000). Accordingly, the Group continued to recognise the full carrying amount of the receivables and had recognised the cash received from the banks as a secured borrowing.

10. TRADE AND BILLS PAYABLES

At the end of the reporting period, an aged analysis of trade and bills payables based on invoice date is as follows:

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**132,955**	—
31 – 60 days	**19,856**	—
61 – 90 days	**—**	—
91 – 120 days	**58,326**	297,130
Over 120 days	**283,275**	—
	494,412	297,130

A significant portion of the Group's bills payables are on usance letter of credit up to a tenor of 365 days. For other trade payables, the average credit period is 30 days (2010: 30 days). No interest is charged by the trade creditors. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

BUSINESS REVIEW

General Trading

Fishmeal Products

At the beginning of 2011, our sales of fishmeal products dropped significantly due to the limited supply of fishmeal products, which in turn drove up the market prices of fishmeal products in the first quarter of 2011. Following the early release of the new fishing season at the beginning of April 2011 by the Peruvian Government, the availability of fishmeal products improved, which resulted in market prices of fishmeal products falling for the remainder of the year.

Against the backdrop of the scenario described above, sales of the Group's fishmeal products dropped from HK$2,383 million in 2010 to HK$1,748 million in 2011 with the result of a segment loss of HK$17.4 million for the year under review.

Tapioca Products

With the scale of business activity in tapioca trading remaining stagnant, we decided to wind-up our business in the trading of tapioca products in the second half of the year under review. The sales and contribution from tapioca trading were minimal to the Group's overall sales and profit.

Property Investment

With respect to property investment, the Group recorded a rental turnover of HK$34 million from its investment properties in Hong Kong and Mainland China. As at 31 December 2011, the Group's investment properties were revalued by an independent professional valuer. The fair value gains of HK$53 million (2010: HK$23 million) and HK$24 million (2010: HK$35 million) were recorded in 2011 for our investment properties in Hong Kong and Mainland China respectively.

Property Investment in Hong Kong

The Group's recurrent rental income of HK$13.8 million, a slight increase of 1% from HK$13.6 million in 2010, came from its various shops in Hong Kong. With their prime locations, rental reversions at Causeway Bay and Tsimshatsui were positive during the year under review.

Property Investment and Properties Held for Sale in Mainland China

The Group's investment properties in Mainland China contributed to the rental revenue of approximately HK$20.4 million, an increase of about 11% over last year. There was no sale of properties during the year under review.

Associated company

The Group recorded a share of losses from associated companies of HK$0.9 million, largely due to lack of rental income from the Emerald Court, of which the Group owns 43%.

PROSPECTS

General Trading

Given the global economic slowdown and associated uncertainties, we will continue to adopt a conservative business strategy. It is expected that the supply of fishmeal products in Peru, the major global source of fishmeal, will continue to be affected by the fishing quota in Peru. However, the demand for fishmeal products is still strong as Mainland China's economic growth remains favourable.

We have successfully developed a brandname "Luckmate" over many years. Being one of the leading fishmeal merchants in Mainland China, we will continue to consolidate our position by taking proactive action to capture a larger market share.

Looking forward, we are confident on the outlook of fishmeal products trading. With our experienced sales team and sales network in Mainland China, we believe that it will bring in a positive contribution to the Group in coming year.

Property Investment

The Group owns a portfolio of investment properties in Hong Kong and Mainland China. This provides a stable stream of recurrent income to our Group. With such an earning base, the Group is well positioned to withstand any challenging situation. We will continue to identify any investment opportunities in Hong Kong and Mainland China while strategically maintaining the value of our existing investment properties for our shareholders.

FINANCIAL REVIEW AND ANALYSIS

Overall Results

The Group's revenue decreased from HK$2,467 million for the year ended 31 December 2010 ("FY2010") to HK$1,803 million for the year ended 31 December 2011 ("FY2011") by around HK$664 million, representing a decrease of 27%. The decrease was mainly caused by the decline in revenue of fishmeal products trading segment due to the limited supply of fishmeal products. The volatility of global commodity prices throughout 2011 has a negative impact on the performance of fishmeal products trading segment, resulting in a decline in the overall profitability of the Group in 2011. The Group's net profit attributable to the owners of the Company for FY2011 amounted to HK$56 million (FY2010: HK$117 million), a decrease of around 52% over FY2010.

The decline in profit of the general trading segment was partly compensated for by other income and the increase in fair value of investment properties. Other income of HK$91 million in FY2011 (FY2010: HK$50 million) mainly comprised bank interest income of HK$36 million (FY2010: HK$14 million) and exchange gain of HK$52 million (FY2010: HK$33 million). Included in exchange gain is an unrealised gain of HK$27 million (FY2010: HK$16 million) arising from re-translation of foreign currency pledged bank deposits and bills receivables which are denominated in RMB at the rate prevailing at the end of the reporting period. The Group has entered into arrangements with banks that these pledged bank deposits and bills receivables will be exchanged to USD to settle bank loans denominated in USD. At the same time, the Group has entered into foreign currency non-deliverable forward contracts which effectively fixed the exchange rate to convert the pledged bank deposits and bills receivable into USD on settlement dates of the relevant bank loans. The management is of the view that the above arrangements reduce the Group's exposure to currency fluctuations risk on these foreign currency balances. Since the exchange rate prevailing at 31 December 2011 is more favorable than the forward contract rates, the management expects a net loss on reversal of exchange gain and change in fair value of these non-deliverable foreign currency forward contracts will be recognised from the above arrangements next year.

A fair value gain on the investment properties of HK$77 million (FY 2010: HK$58 million) before deferred taxation was recorded in FY2011.

The Group's share of results of associates recorded a loss of HK$0.9 million in FY2011 (FY2010: a profit of HK$10 million) due to lack of rental income from the investment properties of the associated company.

Liquidity and Financial Resources

As at 31 December 2011, the Group's gearing ratio was 17% (2010: 12%), based on the Group's long term bank borrowings of HK$180 million (2010: HK$118 million) and shareholders' equity of HK$1,079 million (2010: HK$995 million). The Group's current ratio was 1.11 (2010: 1.08), calculated on the basis of current assets of HK$1,698 million (2010: HK$1,629 million) over current liabilities of HK$1,528 million (2010: HK$1,503 million).

As at 31 December 2011, total restricted bank deposit, pledged bank deposits, structured bank deposits, bank balances and cash on hand were HK$999 million (2010: HK$1,001 million). Total bank borrowings of the Group amounted to HK$1,138 million (2010: HK$1,250 million), of which approximately HK$846 million (2010: HK$797 million) were secured with bank deposits of HK$865 million (2010: HK$808 million). The maturity profile of the Group's bank borrowings falling due within one year was 78% (2010: 91%) and more than one year was 22% (2010: 9%). Total bank borrowings included secured bank loans of HK$651 million (2010: HK$939 million), trust receipt loans of Nil (2010: HK$190 million), and there were liabilities of HK$487 million (2010: HK$121 million) associated with bills receivable discounted with recourse. The Group's borrowings were denominated in USD, Hong Kong dollars and RMB.

Charges on Assets

As at 31 December 2011, the Group had available but not yet utilized banking facilities amounting to around HK$1,890 million (2010: HK$2,539 million). The aforesaid facilities were secured by the following assets:

- Leasehold land of HK$37 million (2010: HK$37 million);
- Buildings of HK$6 million (2010: HK$6 million);
- Properties held for sale of HK$15 million (2010: HK$14 million);
- Investment properties of HK$932 million (2010: HK$839 million);
- Pledged bank deposits of HK$616 million (2010: HK$525 million);
- Structured bank deposits of HK$250 million (2010: HK$283 million); and
- Bills receivables of HK$493 million (2010: HK$419 million).

FOREIGN EXCHANGE EXPOSURE

Transactions of the Group are predominantly denominated in USD, Hong Kong dollars and RMB. During the year, the Group entered into several foreign currency forward contracts with banks to reduce its exposure to the risks of currency fluctuations. Review of the Group's exposure to foreign exchange risks is conducted periodically and derivative financial instruments may be used to hedge against such risks as and when necessary.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2011, the total number of employees of the Group was 86 (2010: 85) with staff costs, excluding directors' remuneration, amounting to HK$9,755,000 (2010: HK$10,188,000). Remuneration policies are reviewed annually by the management. Remuneration packages are structured to take into account comparable levels in the market.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2011.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.01 per ordinary share for the year ended 31 December 2011 to shareholders whose names appear on the Company's register of members on Monday, 28 May 2012 (the "Proposed Final Dividend"). Subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on Thursday, 17 May 2012 (the "2012 AGM"), the Proposed Final Dividend is expected to be paid on 15 June 2012.

CLOSURE OF REGISTER OF MEMBERS FOR 2012 AGM

For the purpose of determining the rights to attend and vote at the 2012 AGM, the register of members of the Company will be closed from Tuesday, 15 May 2012 to Thursday, 17 May 2012 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be entitled to attend and vote at the 2012 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 14 May 2012.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The payment of the Proposed Final Dividend is subject to the approval of the shareholders at the 2012 AGM. For the purpose of determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from Thursday, 24 May 2012 to Monday, 28 May 2012 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be entitled to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 23 May 2012.

CORPORATE GOVERNANCE

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December 2011.

A full description of the Company's corporate governance will be set out in the Corporate Governance Report contained in the 2011 Annual Report of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made of all the directors of the Company and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2011.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.greatchinaholdingsltd.com.hk. The 2011 Annual Report of the Company will be available at the websites of the Company and the Stock Exchange and be despatched to shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

On behalf of the Board
John Ming Tak HO
Managing Director

Hong Kong, 29 March 2012

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Rustom Ming Yu HO, Mr. John Ming Tak HO, Mr. Patrick Kwok Wai POON and Mr. Maung Tun MYINT; one non-executive director, namely, Ms. Yu Gia HO; and three independent non-executive directors, namely, Mr. Lawrence Kam Kee YU BBS, MBE, JP, Mr. David Hon To YU and Mr. Hsu Chou WU.