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

(Incorporated in Hong Kong with limited liabilities)
(Stock Code: 141)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The board (the "**Board**") of directors (the "**Directors**") of Great China Holdings Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017 together with the corresponding comparative figures of last year. The Group's audited consolidated financial statements for the year ended 31 December 2017 have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2017
(Expressed in Hong Kong dollars ("HK$"))

	Note	2017 HK$'000	2016 HK$'000
Continuing operations			
Revenue	2	**22,448**	21,336
Cost of sales		**(2,582)**	(3,053)
Gross profit		**19,866**	18,283
Other income	4	**1,424**	3,781
Administrative expenses		**(19,261)**	(16,504)
Net valuation gain on investment properties		**59,560**	12,023
Profit from operations		**61,589**	17,583
Finance costs	5(a)	**—**	(116)
Profit before taxation	5	**61,589**	17,467
Income tax	6	**(15,003)**	(3,253)
Profit for the year from continuing operations		**46,586**	14,214
Discontinued operations			
Profit for the year from discontinued operations	7	**—**	45,476
Profit for the year attributable to equity shareholders of the Company		**46,586**	59,690
Earnings per share (for continuing and discontinued operations)	8		
— Basic and diluted *(HK cents)*		**15.08**	22.81
Earnings per share (for continuing operations)			
— Basic and diluted *(HK cents)*	8	**15.08**	5.43

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017
(Expressed in HK$)

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**46,586**	59,690
Other comprehensive income for the year (after tax)		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of financial statements of overseas subsidiaries	**31,335**	(27,114)
Available-for-sale securities, net movement in fair value reserve	**—**	(80)
Reclassification of cumulative exchange reserve to profit or loss upon disposal of subsidiaries	**—**	(8,267)
Reclassification of cumulative fair value reserve to profit or loss upon disposal of subsidiaries	**—**	(990)
Other comprehensive income for the year	**31,335**	(36,451)
Total comprehensive income for the year attributable to equity shareholders of the Company	**77,921**	23,239

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017
(Expressed in HK$)

	Note	**2017**	2016
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**572,132**	465,182
Property, plant and equipment		**2,740**	2,743
Trademark		**106**	—
Trade and other receivables, prepayments and deposits	*10*	**5,947**	368
Deferred tax assets		**153**	—
		581,078	468,293
Current assets			
Properties held for sale		**6,718**	19,119
Trade and other receivables, prepayments and deposits	*10*	**13,633**	7,666
Tax recoverable		**269**	269
Short-term bank deposits		**127,232**	—
Bank balances and cash		**11,931**	25,261
		159,783	52,315

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2017
(Expressed in HK$)

	Note	2017 HK$'000	2016 HK$'000
Current liabilities			
Other payables and accrued expenses		**24,699**	22,487
Rental deposits received		**238**	1,826
Tax payable		**34**	88
		24,971	24,401
Net current assets		**134,812**	27,914
Total assets less current liabilities		**715,890**	496,207
Non-current liabilities			
Rental deposits received		**4,264**	2,289
Deferred tax liabilities		**80,847**	62,453
		85,111	64,742
NET ASSETS		**630,779**	431,465
CAPITAL AND RESERVES			
Share capital		**193,246**	71,853
Reserves		**437,533**	359,612
TOTAL EQUITY		**630,779**	431,465

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017
(Expressed in HK$)

	Note	Share capital HK$'000	Exchange reserve HK$'000	Properties revaluation reserve HK$'000	Fair value reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2016		71,853	96,617	495	1,070	1,365,530	1,535,565
Profit for the year		—	—	—	—	59,690	59,690
Other comprehensive income for the year							
— Exchange difference arising from translation of financial statements of overseas subsidiaries		—	(27,114)	—	—	—	(27,114)
— Available-for-sale securities, net movement in fair value reserve		—	—	—	(80)	—	(80)
— Reclassification of cumulative exchange reserve to profit or loss upon disposal of subsidiaries		—	(8,267)	—	—	—	(8,267)
— Reclassification of cumulative fair value reserve to profit or loss upon disposal of subsidiaries		—	—	—	(990)	—	(990)
		—	(35,381)	—	(1,070)	—	(36,451)
Total comprehensive income for the year		—	(35,381)	—	(1,070)	59,690	23,239
Transfer of cumulative properties revaluation reserve upon disposal of subsidiaries		—	—	(495)	—	495	—
Special dividends approved in respect of the current year	9	—	—	—	—	(1,127,339)	(1,127,339)
At 31 December 2016		71,853	61,236	—	—	298,376	431,465

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2017
(Expressed in HK$)

	Note	Share capital HK$'000	Exchange reserve HK$'000	Statutory reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2017		71,853	61,236	—	298,376	431,465
Profit for the year		—	—	—	46,586	46,586
Other comprehensive income for the year						
— Exchange difference arising from translation of financial statements of overseas subsidiaries		—	31,335	—	—	31,335
		—	31,335	—	—	31,335
Total comprehensive income for the year		—	31,335	—	46,586	77,921
Transfer from retained profits		—	—	72	(72)	—
Placing of new shares		121,393	—	—	—	121,393
At 31 December 2017		193,246	92,571	72	344,890	630,779

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial information relating to the years ended 31 December 2017 and 2016 included in this preliminary announcement of annual results for the year ended 31 December 2017 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The financial statements for the year ended 31 December 2017 have not been but will be delivered to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The independent auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

1.1 Accounting policies of the financial statements

1.1.1 Changes in accounting polices

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued several amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1.1.2 Issued but not yet effective HKFRSs

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and new standards to HKFRSs which are not yet effective for the current accounting period of the Group and which have not been adopted in these consolidated financial statements.

These included the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
HKFRS 16, *Leases*	1 January 2019

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

1.1 Accounting policies of the financial statements (Continued)

1.1.2 Issued but not yet effective HKFRSs (Continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards and considered the impact that adopting the amendment and new standards on the consolidated financial statements are unlikely to be significant. Further details of the expected impacts are discussed below. The Group does not intend to early adopt any of these amendments or new standards.

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities.

Expected impacts of the new requirements on the Group's consolidated financial statements are as follows:

(i) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI). The classification is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(ii) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets.

Based on a preliminary assessment, the Group expects that the new requirements will not have a material impact on its financial statements.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

1.1 Accounting policies of the financial statements (Continued)

1.1.2 Issued but not yet effective HKFRSs (Continued)

HKFRS 15, Revenue from contracts with customers

Under HKFRS 15, revenue from provision of services is recognised when control of a service transfers to a customer. Management has assessed the impact of the adoption of HKFRS 15 and considered that there would not have current material impact on the financial results.

HKFRS 16, Leases

Currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting for the Group's operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases is payable either within 1 year or between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. Based on a preliminary assessment, apart from the recognition of lease liabilities, with corresponding right-of-use assets, the Group expects that HKFRS 16 will not have a material impact on the financial statements.

2. REVENUE

Revenue from continuing operations represents rental income earned during the year.

An analysis of the Group's revenue is as follows:

	2017	2016
	HK$'000	*HK$'000*
Shops	**20,263**	19,071
Residential	**1,654**	1,705
Car park	**531**	560
	22,448	21,336

For the year ended 31 December 2017, revenue from two (2016: two) customers of the Group's property investment in the People's Republic of China (the "PRC") segment amounted to HK$12,967,000 and HK$3,559,000 (2016: HK$13,439,000 and HK$3,881,000), which each exceeded 10% of the Group's revenue from continuing operations.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision-maker, for the purpose of resource allocation and assessment of segment performance focuses on the operating divisions of the Group.

The executive directors have identified the following reportable segments for the Group's operating segments. These segments are managed separately as each business offers different products and services and requires different business strategies.

Continuing operations

(1) Property investment in the PRC — leasing of properties situated in the PRC (other than Hong Kong)

(2) Trading of properties — sale of properties situated in the PRC

Discontinued operations

(1) General trading — trading of fishmeal

(2) Property investment in Hong Kong — leasing of properties situated in Hong Kong

The Group disposed of the operations of general trading and property investment in Hong Kong segments on 15 June 2016. The results of the general trading and property investment in Hong Kong segments from 1 January 2016 to 15 June 2016 were classified as discontinued operations accordingly.

3. SEGMENT INFORMATION (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies. There were no inter-segment sales between different operating segments for the year ended 31 December 2017 (2016: HK$nil). Segment revenue represents sales revenue from external customers. Segment profit or loss after tax represents net profit earned or loss incurred by each reportable segment without allocation of income and expenses of the Group's headquarters, corporate income and expenses, unallocated finance costs, unallocated income tax credit or expense and gain on disposal of subsidiaries.

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

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

Information regarding the above segments is reported below.

Segment revenue and results

	Continuing operations		
	Property investment in the PRC *HK$'000*	**Trading of properties** *HK$'000*	**Total** *HK$'000*
For the year ended 31 December 2017			
Reportable segment revenue	**21,796**	**652**	**22,448**
Reportable segment profit after tax	**58,359**	**1,843**	**60,202**
Net corporate expenses			**(13,916)**
Unallocated income tax credit			**300**
Profit for the year			**46,586**

3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

	Continuing operations			Discontinued operations		
	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Sub-total *HK$'000*	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Sub-total *HK$'000*
For the year ended 31 December 2016						
Reportable segment revenue	20,522	814	21,336	487,212	6,689	493,901
Reportable segment profit/(loss) after tax	26,503	238	26,741	(779)	1,102	323
Net corporate expenses			(12,273)			(7,404)
Unallocated finance costs			(116)			(106)
Unallocated income tax expense			(138)			(20)
Gain on disposal of subsidiaries *(note 7(a))*			—			52,683
Profit for the year			14,214			45,476

Segment Assets and Liabilities

	Continuing operations		
	Property investment in the PRC ***HK$'000***	**Trading of properties** ***HK$'000***	**Total** ***HK$'000***
At 31 December 2017			
Reportable segment assets	**585,458**	**6,743**	**592,201**
Unallocated corporate assets			**148,660**
Consolidated total assets			**740,861**
Reportable segment liabilities	**91,033**	**16,375**	**107,408**
Unallocated corporate liabilities			**2,674**
Consolidated total liabilities			**110,082**

3. SEGMENT INFORMATION (CONTINUED)

Segment Assets and Liabilities (continued)

	Continuing operations		
	Property investment in the PRC	Trading of properties	Total
	HK$'000	*HK$'000*	*HK$'000*
At 31 December 2016			
Reportable segment assets	494,470	19,337	513,807
Unallocated corporate assets			6,801
Consolidated total assets			520,608
Reportable segment liabilities	71,476	15,556	87,032
Unallocated corporate liabilities			2,111
Consolidated total liabilities			89,143

Unallocated corporate assets mainly comprised of property, plant and equipment which are used by the Group's headquarters, certain bank balances and cash and short-term bank deposits which are held as the general working capital of the Group as a whole and other corporate assets of the Group's headquarters which are not directly attributable to the business activities of any operating segment.

Unallocated corporate liabilities mainly comprised of other payables and accrued expenses of the Group as a whole and other corporate liabilities of the Group's headquarters which are not directly attributable to the business activities of any operating segment.

3. SEGMENT INFORMATION (CONTINUED)

Other segment information

	Continuing operations			
	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Corporate/ Unallocated *HK$'000*	Total *HK$'000*
For the year ended 31 December 2017				
Additions to property, plant and equipment	**32**	**—**	**731**	**763**
Amortisation of trademark	**—**	**—**	**6**	**6**
Depreciation of property, plant and equipment	**260**	**—**	**501**	**761**
Loss on disposal of property, plant and equipment	**48**	**—**	**—**	**48**
Net valuation gain on investment properties	**(59,560)**	**—**	**—**	**(59,560)**
Net exchange gain	**(1)**	**—**	**(754)**	**(755)**
Bank interest income	**(408)**	**—**	**(393)**	**(801)**
Other interest income	**—**	**—**	**(613)**	**(613)**
Income tax expense/(credit)	**17,089**	**(1,786)**	**(300)**	**15,003**

	Continuing operations				Discontinued operations			
	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Corporate/ Unallocated *HK$'000*	Sub-total *HK$'000*	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Corporate/ Unallocated *HK$'000*	Sub-total *HK$'000*
For the year ended 31 December 2016								
Additions to property, plant and equipment	886	—	2,222	3,108	—	—	—	—
Amortisation of land lease premium	4	—	—	4	—	—	—	—
Depreciation of property, plant and equipment	233	—	199	432	131	197	623	951
Valuation (gain)/loss on investment properties	(12,023)	—	—	(12,023)	—	2,400	—	2,400
Change in fair value of financial assets at fair value through profit or loss	—	—	—	—	—	—	5,829	5,829
Allowance for inventories	—	—	—	—	5,839	—	—	5,839
Allowance for doubtful debts	103	—	—	103	233	—	199	432
Bad debt written off	8	—	—	8	323	—	—	323
Net exchange (gain)/loss	(1,512)	—	591	(921)	(1,755)	4	(1,018)	(2,769)
Interest income	(56)	—	(187)	(243)	(2,500)	—	(4,135)	(6,635)
Finance costs	—	—	116	116	142	491	106	739
Income tax expense	3,115	—	138	3,253	1,009	12	20	1,041

Geographical information

As the Group does not have material operations outside the PRC from continuing operations, no geographic segment information is presented.

4. OTHER INCOME

From continuing operations

	2017 *HK$'000*	2016 *HK$'000*
Bank interest income	**801**	243
Other interest income	**613**	—
Management fee income from disposed subsidiaries *(note)*	**—**	3,366
Sundry	**10**	172
	1,424	3,781

Note: For the year ended 31 December 2016, the Company received management fee income from various subsidiaries of the Disposal Group for management services provided. The management service has been terminated since 1 April 2016.

5. PROFIT BEFORE TAXATION

From continuing operations

Profit before taxation is arrived at after charging/(crediting):

	2017 *HK$'000*	2016 *HK$'000*
(a) Finance costs		
Interest on bank loans	**—**	116
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	**10,078**	10,244
Contributions to defined contribution retirement plans *(note)*	**536**	195
	10,614	10,439

5. PROFIT BEFORE TAXATION (CONTINUED)

Note:

The Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000 in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee.

For members of the MPF Scheme, both the Group and the employees contribute 5% of the employee's monthly remunerations or HK$1,500 (2016: HK$1,500) per month whichever is the smaller to the scheme. Contributions to the plan vest immediately. No forfeited contribution is available to reduce the contribution payable for the years ended 31 December 2017 and 2016.

The employees of the subsidiaries of the Group which operate in the PRC are required to participate in a central pension scheme operated by the local municipal governments. These PRC subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The total cost charged to profit or loss of HK$536,000 (2016: HK$195,000) represents contributions paid/payable to the above retirement benefit schemes, by the Group during the year.

	2017	2016
	HK$'000	*HK$'000*
(c) Other items		
Auditor's remuneration	**1,120**	1,308
Amortisation of land lease premium	**—**	4
Amortisation of trademark	**6**	—
Depreciation	**761**	432
Loss on disposal of property, plant and equipment	**48**	—
Operating lease charges in respects of land and buildings	**1,785**	962
Net exchange loss/(gain)	**755**	(921)
Impairment losses on trade and other receivables	**—**	103
Bad debt written off	**—**	8
Gross rental income	**(22,448)**	(21,336)
Less: direct operating expenses	**2,582**	3,053
Net rental income	**(19,866)**	(18,283)

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

From continuing operations

Taxation in the consolidated statement of profit or loss represents:

	2017	2016
	HK$'000	*HK$'000*
Current tax — PRC Enterprise Income Tax	**1,423**	1,490
Deferred tax	**13,580**	1,774
Over-provision in prior year	**—**	(11)
Income tax expense	**15,003**	3,253

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits. No provision was made for Hong Kong Profits Tax as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2017 and 2016.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC subsidiaries are subject to Enterprise Income Tax of tax rate of 25%.

Enterprise Income Tax arising from certain Hong Kong subsidiaries' operations in the PRC is calculated at tax rate of 10% (2016: 10%) on the rental income earned by these Hong Kong subsidiaries for the year.

7. DISCONTINUED OPERATIONS

Pursuant to the Disposal Agreement and the Disposal Supplemental Agreement entered into between the Company and Fulcrest Limited (the "Disposal Purchaser") dated 21 January 2016 and 18 April 2016 respectively, the Company disposed of its entire equity interests in Datong Global Holdings Limited ("Datong") and Xingao Limited ("Xingao") (the "Disposal of Subsidiaries"), each of which was a wholly-owned subsidiary of the Company, together with the subsidiaries of Datong and Xingao (collectively referred to as the "Disposal Group") and the amount due from the Disposal Group of HK$205,000,000 to the Disposal Purchaser (the "Disposal of Loan") during the year ended 31 December 2016. Total consideration for the Disposal of Subsidiaries and the Disposal of Loan is HK$797,967,000, among which the consideration for the Disposal of Subsidiaries amounting to HK$592,967,000 was settled in cash and the consideration for the Disposal of Loan amounting to HK$205,000,000 was settled by offsetting against dividends payable to the Disposal Purchaser (note 9).

The Disposal Group is principally engaged in (i) trading of fishmeal; (ii) property investment in Hong Kong; (iii) provision for agency services; and (iv) investment in financial assets. The above disposals were completed on 15 June 2016. The consolidated results of the Disposal Group for the period from 1 January 2016 to 15 June 2016 have been presented as discontinued operations in the consolidated financial statements in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(a) Results of discontinued operations:

	From 1 January to 15 June 2016 *HK$'000*
Revenue	493,901
Cost of sales	(473,728)
Valuation loss on investment properties	(2,400)
Other net expenses	(23,200)
Finance costs	(739)
Loss from operations	(6,166)
Income tax	(1,041)
Net loss from operations *(note)*	(7,207)
Gain on disposal of subsidiaries *(note 7(c))*	52,683
Profit for the year from discontinued operations	45,476
Basic and diluted earnings per share *(HK cents)*	17.38

Note: Net loss from operations included management fee paid by the Disposal Group to the Company.

7. DISCONTINUED OPERATIONS (CONTINUED)

For the year ended 31 December 2016, the calculation of basic earnings per share from discontinued operations of HK17.38 cents is based on the profit for the year from discontinued operations attributable to the equity shareholders of the Company of HK$45,476,000 and the weighted average number of ordinary shares for basic earnings per share as disclosed in note 8.

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the year ended 31 December 2016 presented.

(b) Cash flows generated from discontinued operations:

	From 1 January to 15 June 2016 *HK$'000*
Net cash used in operating activities	**(309,884)**
Net cash generated from investing activities	**599,384**
Net cash generated from financing activities	**73,463**
Net cash flows generated from discontinued operations for the year	**362,963**

7. DISCONTINUED OPERATIONS (CONTINUED)

(c) Net assets disposed of as at the date of the disposal date:

	As at the date of the disposal *HK$'000*
ASSETS	
Non-current assets	
Investment properties	500,700
Property, plant and equipment	44,939
Available-for-sale financial assets	12,325
Trade and other receivables, prepayments and deposits	28,805
	586,769
Current assets	
Inventories	33,694
Trade and other receivables, prepayments and deposits	101,962
Financial assets at fair value through profit or loss	37,205
Available-for-sale financial assets	27,300
Tax recoverable	406
Restricted bank deposit	15,915
Bank balances and cash	149,321
	365,803
LIABILITIES	
Current liabilities	
Trade and bills payables, other payables and accrued expenses	(42,591)
Rental deposits received	(2,389)
Amount due to the Company	(205,000)
Borrowings	(71,196)
Tax payable	(1,035)
	(322,211)
Non-current liabilities	
Rental deposits received	(2,041)
Borrowings	(82,144)
Deferred tax liabilities	(2,397)
	(86,582)
Net assets disposed of	543,779
Total cash consideration	592,967
Net assets disposed of	(543,779)
Transaction costs incurred for disposal	(5,762)
Reserves attributable to the disposal Group recycled to profit or loss upon disposal	9,257
Gain on disposal of subsidiaries *(note 7(a))*	52,683
Cash flows	
Cash consideration received	592,967
Bank balances and cash disposed of	(149,321)
Net cash inflows	443,646

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

	2017			2016		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Profit for the year attributable to equity shareholders of the Company	**46,586**	**—**	**46,586**	14,214	45,476	59,690

	Number of shares	
	2017	2016
Weighted average number of ordinary shares in issue during the year	**308,913,376**	261,684,910

The weighted average number of shares for the purposes of calculating basis and diluted earnings per share for the year ended 31 December 2017 has been adjusted for placing of new shares during the year.

For the years ended 31 December 2017 and 2016, basic and diluted earnings per share for continuing and discontinued operations are equal as there were no potential dilutive ordinary shares in issue.

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 31 December 2017 and 2016:

	2017	2016
	HK$'000	*HK$'000*
Special dividends approved in respect of the current year *(note)*	**—**	**1,127,339**

Note: A first special dividend of HK$1.223 per share (amounting to approximately HK$320,041,000) and a second special dividend of HK$3.085 per share (amounting to approximately HK$807,298,000) were approved at the extraordinary general meeting of the Company held on 31 May 2016, and paid on 13 June 2016 in cash of HK$320,041,000 and on 22 June 2016 in cash of HK$602,298,000, respectively. The amount of HK$205,000,000 was offset against the consideration for the Disposal of Loan as agreed between the Company and the Disposal Purchaser *(note 7)*. No special dividends were declared and paid for the year ended 31 December 2017.

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2017	2016
	HK$'000	*HK$'000*
Trade receivables, net *(note 10 (a))*	**189**	**3,627**
Prepayments, deposits and other receivables, net *(note 10 (d))*	**19,391**	**4,407**
Carrying amount at 31 December	**19,580**	**8,034**
Less: Current portion	**(13,633)**	**(7,666)**
Non-current portion	**5,947**	**368**

Apart from the balance of non-current portion expected to be recovered or recognised as expense after more than one year, all other trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.

(a) Trade receivables

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**295**	3,726
Less: Allowance for doubtful debts *(note 10 (b))*	**(106)**	(99)
Trade receivables, net	**189**	3,627

For trade and other receivables, rents from leasing of investment properties are normally received in advance without credit terms to tenants. 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 sets credit limits by customer. Credit limits assigned to customers are reviewed once a year.

The ageing analysis of trade receivables (net of allowance for doubtful debts), based on invoice dates, as of the end of the reporting period is as follows:

	2017	2016
	HK$'000	*HK$'000*
0–30 days	**189**	1,750
31–60 days	**—**	1,425
61–90 days	**—**	449
91–120 days	**—**	3
	189	3,627

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

(b) Impairment of trade and other receivables

Impairment losses in respect of trade debtors receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors receivables directly.

The movement in the allowance for doubtful debts is as follows:

	Trade receivables		Other receivables	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Balance at 1 January	**99**	11,206	**—**	4,171
Provision for impairment loss	**—**	468	**—**	67
Disposal of subsidiaries	**—**	(11,482)	**—**	(4,205)
Exchange realignment	**7**	(93)	**—**	(33)
Balance at 31 December	**106**	99	**—**	—

At 31 December 2017, trade and other receivables of HK$106,000 (2016: HK$99,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties. Consequently, specific allowance for doubtful debts of trade receivables of HK$106,000 (2016: HK$99,000) and no other receivables for provision were recognised.

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables which are not impaired is as follows:

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**—**	—
Less than 30 days past due	**189**	1,750
31 to 60 days past due	**—**	1,425
61 to 90 days past due	**—**	449
91 to 120 days past due	**—**	3
	189	3,627

At 31 December 2017, receivables that were past due but not impaired mainly relate to tenants that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

(d) Prepayments, deposits and other receivables

	2017	2016
	HK$'000	*HK$'000*
Prepayments and deposits	**1,085**	793
Other receivables *(Note)*	**18,306**	3,614
	19,391	4,407

Note: Included in other receivables is a secured three-month short-term loan to a third party of HK$12,012,000 (2016: HK$nil) bearing interest of 28% per annum and due in January 2018. The loan has been subsequently settled after the end of the reporting period.

11. EVENTS AFTER THE REPORTING DATE

The Group had no significant events after 31 December 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Review

In 2017, the global economy has turned brightly on a gradual pace. The global economic growth and growth forecast were on the rise, in which the economic growth in developed economies keeps up its momentum, whilst growth in emerging markets and developing economies has showcased a significant recovery. China's economy has kept its stable momentum for a brighter growth and showcased a greater resilience.

In 2017, the real estate policy adheres to the keynote that "the property is used for housing rather than for speculation". Each region transformed from the traditional demand-side suppression to the supply-side increase. In the meantime, the convergence of short-term control and long-term mechanism becomes more closely, whilst vigorously nurturing and developing the housing rental market and deepening the development of pilot projects on shared property rights, improving the multi-level housing supply system and constructing a real estate system to develop house renting and purchasing simultaneously, a long term mechanism was also established and improved. The market tends to be stable, the concentration of the real estate industry continued to rise, new changes took place in the enterprise development pattern, results of brand real estate enterprises hit a new high, their market share increased rapidly and the industry scale effect continued to be fermented.

During the year ended 31 December 2017 (the "**Year**"), rental income generated from properties in the PRC continued to be the major and core sources of the Group's total revenue. Revenue of the Group attributable to the continuing operations increased by approximately HK$1.11 million to approximately HK$22.45 million, primarily due to exchange fluctuation.

A 10-year leasing contract relating to seven properties located in Shanghai, the PRC with effect from 1 November 2017 had been entered into by the Group with an independent third party. The said seven properties were previously measured at the lower of cost and net realisable value and were now reclassified as investment properties and measured at fair value according to the Hong Kong Accounting Standards. The change in fair value of properties transferred from held for sales to investment properties was approximately HK$52.08 million. As a result, profit for the Year from continuing operations increased by approximately 227.75% to approximately HK$46.59 million in comparison with the corresponding period in 2016.

Profit for the Year attributable to owners of the Company was approximately HK$46.59 million, down from HK$59.69 million recorded for the corresponding period in 2016. The substantial decrease in profit was mainly due to the completion of the disposal of discontinued operations in the equivalent period in 2016 and such respective contribution of profit was HK$45.48 million.

For the year ended 31 December 2017, basic and diluted earnings per share of the Company (the "**Share**") from continuing operations was HK15.08 cents (2016: HK5.43 cents).

Business Review

Residential premises

For the year ended 31 December 2017, the Group generated revenue of approximately HK$1.65 million (2016: HK$1.71 million) from residential premises. The total floor area for residential area is 29,259 square feet. The average occupancy rate per unit was 57.29% for the Year (2016: 59.38%). The occupancy rate per unit as at 31 December 2017 was 81.25%. As at 31 December 2017, 12 residential premises were classified as the investment properties, which were valued by the independent professional valuer. A valuation gain of approximately HK$55.70 million was recorded in 2017 (2016: HK$10.04 million). As at 31 December 2017, 4 residential premises were classified as properties held for sale, which were measured at the lower of cost and net realisable value.

Shops and car parks

For the year ended 31 December 2017, the Group generated revenue of approximately HK$20.80 million (2016: HK$19.63 million) from shops and car parks. The total floor area for shops and car parks is 144,099 square feet. The average occupancy rate per unit was 100.00% for the Year (2016: 100.00%). As at 31 December 2017, all shops and car parks were classified as the investment properties, which were valued by independent professional valuer. A valuation gain of approximately HK$3.86 million was recorded in 2017 (2016: HK$1.98 million).

Regional Information

As the Group did not have material operations outside the PRC during the Year, no geographic segment information is presented.

Prospects

In 2018, China's economy will keep growing. At the end of last year, the Central Economic Work Conference emphasized that the foundation of economic work was to achieve growth amidst overall stability. The effect of the structural policy should be further enhanced so as to strengthen the attractiveness and the competitiveness of the real economy, improve the allocation of existing stocks and reinforce innovations. Increase in private consumption should have a fundamental effect on economic development. Investment should also bring about a key effect in optimizing supply-side structure.

The Gross Domestic Product of the PRC grew by approximately 6.90% in 2017. Fixed assets investment is one of the major driving forces of the economy in the PRC. The Board is confident in the overall economic outlook and business potential of the PRC. The Directors will continue to cautiously monitor the business environment and strengthen the Group's business foundation by focusing on the Group's existing business. The investment properties of the Group are mainly located in Shanghai, the PRC. As the property prices in some of the first-tier cities in the PRC surge and prices in the second-tier and the third-tier cities continue to rise, the Group will continue to look for development projects in the first-tier cities, as well as those second-tier and third-tier cities with better growth potential, so as to expand its investment properties business.

The Board strives to grasp investment opportunities which have optimal returns while managing the ancillary risks to which the Group are exposed to a minimum level. Other than property investment, the Group will explore other investment opportunities, including but not limited to, the automobile industry and/or other industry for the Group to replenish its investment portfolio so as to expand the development opportunities, broaden the source of revenue and achieve future growth for the Group.

Financial Review

Liquidity and Financial Resources

As at 31 December 2017, the Group's gearing ratio was Nil (31 December 2016: Nil), due to no bank borrowings of the Group (2016: Nil) and total assets of the Group of approximately HK$740.86 million (2016: HK$520.61 million). As at 31 December 2017, the Group's current ratio was 6.40 (2016: 2.14), calculated on the basis of current assets of approximately HK$159.78 million (2016: HK$52.32 million) over current liabilities of approximately HK$24.97 million (2016: HK$24.40 million). As at 31 December 2017, total short-term bank deposit, bank balances and cash on hand, which were denominated in Hong Kong dollars and Renminbi, were approximately HK$139.16 million (2016: approximately HK$25.26 million).

Future Plans for Material Investments or Capital Assets

The Directors currently do not have any future plans for material investments or capital assets. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

Significant Investments

During the Year, the Group did not have any significant investments (2016: Nil).

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

Foreign Exchange Exposure

During the Year, most of the Group's business transactions were conducted in Hong Kong dollars and Renminbi. Review of the Group's exposure to foreign exchange risks is conducted periodically. The Group expected that the exposure to exchange rate fluctuation was not significant and therefore did not engage in any hedging activity during the Year.

Capital Commitment

As at 31 December 2017, the Group had no material capital commitments (2016: Nil).

Contingent Liability

The Group had no material contingent liability as at 31 December 2017 (2016: Nil).

Charges on Assets

As at 31 December 2017, the Group did not have any charges on its assets (2016: Nil).

Treasury Policy

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The time deposits of the Group at various licensed banks had been and would continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Employees and Remuneration Policies

As at 31 December 2017, the Group employed 18 employees (2016: 20) with staff costs excluding the non-executive Director and independent non-executive Directors for the Year amounting to approximately HK$9.40 million (2016: HK$9.83 million). Remuneration policies are reviewed annually by the management of the Company. Remuneration packages are structured to take into account comparable levels in market and the prevailing business scale of the Group. The Company also operates a share option scheme (the "**Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The

Scheme was adopted and approved by the shareholders of the Company on 14 May 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

As at the date of this announcement, no share options have been granted under the Scheme since its adoption.

DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year (2016: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR AGM

For the purpose of determining the rights to attend and vote at the Company's forthcoming annual general meeting to be held on Wednesday, 6 June 2018 (the "**AGM**"), the register of members of the Company will be closed from Friday, 1 June 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of shares of the Company will be effected. The shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 6 June 2018 will be entitled to attend and vote at the AGM. In order to be entitled to attend and vote at the 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, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m. on Thursday, 31 May 2018.

FUND RAISING

Placing of New Shares under General Mandate (Completed on 24 February 2017)

On 10 February 2017, the Company and a placing manager entered into a placing agreement, pursuant to which the placing manager has conditionally agreed to procure, on a best effort basis, 52,300,000 new shares to not less than six independent placees, who are professional, institutional and/or other investor(s) who are third parties independent of and are not connected with the Company and its connected persons, at a placing price of HK$1.44 per placing share (the "**First Placing**"). The net price to the Company of each placing share is approximately HK$1.43. The market price of the new Shares on the date when the issuance terms were determined (i.e. 10 February 2017) was HK$1.75.

The First Placing was completed on 24 February 2017 and the gross proceeds and net proceeds from the First Placing were approximately HK$75.31 million and HK$74.72 million, respectively. The Company intends to utilise the net proceeds of the First Placing for general working capital and/or financing future investment or new business development as and when opportunities arise. As at 31 December 2017, approximately HK$6.81 million had been used as general working capital of the Group and the remaining proceeds remained unutilised and would be utilised as intended.

For details of the First Placing, please refer to the Company's announcements dated 10 February 2017 and 24 February 2017, respectively.

Placing of New Shares under General Mandate (Completed on 30 November 2017)

On 3 November 2017, the Company and a placing manager entered into a placing agreement, pursuant to which the placing manager has conditionally agreed to procure, on a best effort basis, 31,390,000 new shares to not less than six independent placees, who are professional, institutional and/or other investor(s) who are third parties independent of and are not connected with the Company and its connected persons, at a placing price of HK$1.50 per placing share (the "**Second Placing**"). The net price to the Company of each placing share is approximately HK$1.49. The market price of the new Shares on the date when the issuance terms were determined (i.e. 3 November 2017) was HK$1.78.

The Second Placing was completed on 30 November 2017 and the gross proceeds and net proceeds from the Second Placing were approximately HK$47.09 million and HK$46.67 million, respectively. The Company intends to utilise the net proceeds of the Second Placing for general working capital and/or financing future investment or new business development as and when opportunities arise. As at 31 December 2017, the said net proceeds remained unutilised and would be utilised as intended.

For details of the Second Placing, please refer to the Company's announcements dated 3 November 2017 and 30 November 2017, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance in enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company complied with all the code provisions of the Corporate Governance Code as set out 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**") during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' dealings in the securities of the Company. Having made specific enquiry of all Directors, each of the Directors confirmed that he/she complied with the required standards set out in the Model Code throughout the Year.

The Board has also adopted the Model Code as guidelines for relevant employees in respect of their dealings in the securities of the Company. No incident of non-compliance was noted by the Company during the Year.

SCOPE OF WORK OF KPMG ON THIS FINAL RESULTS ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2017 as set out in this final results announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

AUDIT COMMITTEE

The Audit Committee, comprising all the three independent non-executive Directors, has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2017 and discussed with the management of the Company the accounting principles and accounting standards adopted by the Group and matters relating to risk management and internal control systems and financial reporting of the Group.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after 31 December 2017.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.greatchina-holdings.com. An annual report of the Company, containing information required by the Listing Rules, will be despatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and 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
Great China Holdings Limited
Mr. JIANG Tian
Chairman of the Board

Hong Kong, 26 March 2018

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. JIANG Tian, Mr. LAI Han, Ms. HOU Yingxuan and Mr. GONG Biao; one non-executive Director, namely, Mr. CHAI Yuet; and three independent non-executive Directors, namely, Ms. LI Ping, Mr. HU Jianxing and Mr. TSEUNG Yuk Hei Kenneth.