大中華實業控股有限公司*

GREATER CHINA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 431)

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

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2008

SUMMARY OF RESULTS

The board of directors (the "Board") of Greater China Holdings Limited (the "Company") announced the audited financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008, together with the figures for the year ended 31 December 2007 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	**2008** ***HK$'000***	2007 *HK$'000*
Continuing operations			
Revenue	*5*	**4,458**	5,218
Cost of sales		**(3,747)**	(2,615)
Gross profit		**711**	2,603
Other income	*6*	**2,981**	5,945
Selling and distribution costs		**(270)**	(530)
Administrative expenses		**(39,937)**	(34,204)
Impairment loss on goodwill		**—**	(7,586)
Impairment loss on available-for-sale investments		**—**	(3,000)
Finance costs	*7*	**(453)**	(409)
Loss before tax		**(36,968)**	(37,181)
Income tax credit	*8*	**1,225**	14,265
Loss for the year from continuing operations		**(35,743)**	(22,916)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**—**	(11,656)
Loss for the year		**(35,743)**	(34,572)

* *For identification purpose only*

	Notes	**2008**	2007
		HK$'000	*HK$'000*
Attributable to:			
Equity holders of the Company		**(35,458)**	(32,200)
Minority interests		**(285)**	(2,372)
		(35,743)	(34,572)
Loss per share	*10*		
From continuing and discontinued operations			
— Basic		**(11.83 cents)**	(11.14 cents)
From continuing operations			
— Basic		**(11.83 cents)**	(7.10 cents)

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2008

	Notes	**2008**	2007
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**69,954**	9,538
Prepaid lease payments		**89,076**	31,822
Available-for-sale investments		**—**	—
Prepayments for project development		**14,318**	15,714
Deposits for acquisition of land and buildings		**49,364**	—
Goodwill		**—**	—
		222,712	57,074
Current assets			
Inventories		**40**	57
Trade and other receivables	*11*	**1,617**	26,826
Prepaid lease payments		**1,935**	756
Prepayments and deposits		**573**	2,927
Amount due from a minority shareholder of a subsidiary		**—**	103
Bank balances and cash		**58,109**	206,289
		62,274	236,958
Current liabilities			
Other payables		**15,525**	4,134
Amounts due to a minority shareholder of subsidiaries		**7,879**	7,003
Bank loans		**2,273**	2,139
		25,677	13,276
Net current assets		**36,597**	223,682
Total assets less current liabilities		**259,309**	280,756
Non-current liability			
Deferred tax liabilities		**—**	1,166
		259,309	279,590
Capital and reserves			
Share capital		**1,499**	1,499
Reserves		**256,962**	278,091
Equity attributable to equity holders of the Company		**258,461**	279,590
Minority interests		**848**	—
Total equity		**259,309**	279,590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. BASIS OF PRESENTATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The functional currency of the Company is Renminbi ("RMB"), the currency of the primary economic environment in which the principal subsidiaries of the Company operates. As the Company is a listed entity on the Stock Exchange, the financial statements are presented in Hong Kong dollars for the convenience of the readers.

The Group is principally engaged in investment holding, production and sale of fertilizers and chemicals and industrial property development with focus on port infrastructure and warehouse projects.

2. APPLICATION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, the following amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
Hong Kong (International Financial Reporting Interpretations Committee) — Interpretations ("HK(IFRIC)") — Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction

The adoption of these interpretations and amendments had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combination[3]
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) — Int 15	Accounting for Agreements for the Construction of Real Estate[2]
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) — Int 18	Transfers of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 July 2009
[4] Effective for annual periods ending on or after 30 June 2009
[5] Effective for annual periods beginning on or after 1 July 2008
[6] Effective for annual periods beginning on or after 1 October 2008
[7] Effective for transfers on or after 1 July 2009

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. HKAS 23 (Revised) requires borrowing costs related to qualifying assets of the Group to be capitalised prospectively. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and financial positions of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis and in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in consolidated income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition of additional interest in subsidiaries

Goodwill arising on acquisition of additional interest in subsidiaries represents the excess of the cost of the acquisition over the carrying amount of the net assets attributable to the additional interest in the subsidiaries.

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Rental income from operating lease is recognised on a straight-line basis over the relevant lease term.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including building held for use in the production, other than factory building under construction, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than factory building under construction, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Factory buildings under construction are carried at cost less any recognised impairment losses, and are not depreciated. They are reclassified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Leasehold land held for owner-occupied purpose

The leasehold land component is classified as a land lease prepayment and is amortised on a straight-line basis over the lease term.

Impairment losses on tangible assets other than goodwill (see the accounting policies in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in consolidated income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

Exchange differences arising on the settlement of monetary items, and on the transaction of monetary items, are recognised in the consolidated income statement in the period in which they arise.

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in income statement in the period in which a foreign operation is disposed of.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme which are defined contribution scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as 'other income'.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are mainly classified into financial assets as loans and receivables and available-for-sale investments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits, amount due from a minority shareholder of a subsidiary and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. For unlisted available-for-sale equity investments whose fair value cannot be measured reliably, such equity investments are measured at cost less impairment. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not be reversed in subsequent periods through consolidated income statement (see accounting policy on impairment loss on financial assets below).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the carrying amount on initial recognition.

Income is recognised on an effective interest basis.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in consolidated income statements when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in consolidated income statement. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to consolidated income statement.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through consolidated income statement to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities

Financial liabilities include other payables, amounts due to a minority shareholder of subsidiaries and bank loans are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in the consolidated income statement.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment loss on property, plant and equipment and prepaid lease payments

Included in property, plant and equipment mainly represented warehouse under construction. Determining whether warehouse under construction is impaired requires an estimation of future expected cash flows from the warehouse project and a suitable discount rate. The carrying amount of property, plant and equipment is HK$69,954,000 (2007: HK$9,538,000). The carrying amount of warehouse under construction is HK$56,312,000 (2007: Nil).

Determining whether prepaid lease payments are impaired requires an estimation of fair value of the prepaid lease payments less cost to sell and future expected cash flows from the prepaid lease payments. The carrying amount of prepaid lease payments is HK$91,011,000 (2007: HK$32,578,000).

For the year ended 31 December 2008 and 2007, no impairment loss has been recognised for property, plant and equipment and prepaid lease payments.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of fertilizers and chemicals and rental income. An analysis of the Group's revenue for the current and prior year for both continuing and discontinued operations, is as follows:

	2008	2007
	HK$'000	*HK$'000*
Continuing operations		
Sales of goods	**4,458**	5,218
Discontinued operations		
Rental income	**—**	2,654
Consolidated	**4,458**	7,872

Business segments

For management purposes, the Group is currently engaged in the sale of fertilizers and chemicals and investment holding. In addition, the Group is undergoing industrial property development in relation to port infrastructure and warehouse project divisions, which will carry out petrochemical industry projects and provide transportation related logistics facilities. The Group also operated property investment segment, which was discontinued in 2007. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

INCOME STATEMENT

For the year ended 31 December 2008

	Continuing operations			
	Fertilizers and chemicals	**Investment holding**	**Industrial property development**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
SEGMENT REVENUE	**4,458**	**—**	**—**	**4,458**
RESULTS				
Segment result	**(173)**	**(27)**	**(28,609)**	**(28,809)**
Unallocated corporate income				**1,689**
Unallocated corporate expenses				**(9,395)**
Finance costs				**(453)**
Loss before tax				**(36,968)**
Income tax credit				**1,225**
Loss for the year				**(35,743)**

For the year ended 31 December 2007

	Continuing operations				Discontinued operations	
	Fertilizers and chemicals *HK$'000*	Investment holding *HK$'000*	Industrial property development *HK$'000*	Total *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	5,218	—	—	5,218	2,654	7,872
RESULTS						
Segment result	900	(3,046)	(16,759)	(18,905)	(8,222)	(27,127)
Unallocated corporate income				5,640	—	5,640
Unallocated corporate expenses				(23,507)	—	(23,507)
Finance costs				(409)	(3,434)	(3,843)
Loss before tax				(37,181)	(11,656)	(48,837)
Income tax credit				14,265	—	14,265
Loss for the year				(22,916)	(11,656)	(34,572)

BALANCE SHEET

At 31 December 2008

	Fertilizers and chemicals ***HK$'000***	**Investment holding** ***HK$'000***	**Industrial property development** ***HK$'000***	**Consolidated** ***HK$'000***
ASSETS				
Segment assets	**11,364**	**—**	**214,183**	**225,547**
Unallocated corporate assets				**59,439**
Consolidated total assets				**284,986**
LIABILITIES				
Segment liabilities	**1,585**	**2**	**12,034**	**13,621**
Unallocated corporate liabilities				**12,056**
Consolidated total liabilities				**25,677**

At 31 December 2007

	Fertilizers and chemicals *HK$'000*	Investment holding *HK$'000*	Industrial property development *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	12,302	5,329	67,681	85,312
Unallocated corporate assets				208,720
Consolidated total assets				294,032
LIABILITIES				
Segment liabilities	1,484	338	835	2,657
Unallocated corporate liabilities				11,785
Consolidated total liabilities				14,442

OTHER INFORMATION

For the year ended 31 December 2008

	Continuing operations				
	Fertilizers and chemicals *HK$'000*	**Investment holding** *HK$'000*	**Industrial property development** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Capital additions	**363**	**—**	**118,641**	**3**	**119,007**
Deposits for acquisition of land and buildings	**—**	**—**	**49,364**	**—**	**49,364**
Amortisation and depreciation	**899**	**—**	**2,218**	**244**	**3,361**

For the year ended 31 December 2007

	Continuing operations					Discontinued operations	
	Fertilizers and chemicals *HK$'000*	Investment holding *HK$'000*	Industrial property development *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Capital additions	530	—	55	865	1,450	—	1,450
Amortisation and depreciation	765	—	1,094	172	2,031	—	2,031
Impairment loss on goodwill	—	—	7,586	—	7,586	—	7,586
Impairment loss on available-for-sale investments	—	3,000	—	—	3,000	—	3,000
(Gain) loss on disposal of subsidiaries	—	—	—	(111)	(111)	10,210	(10,099)

Geographical segments

The following table provides an analysis of the Group's sales by geographical market based on location of customers, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**—**	2,654
Other regions in the People's Republic of China (the "PRC")	**4,458**	5,218
	4,458	7,872

Revenue from the Group's discontinued operations was derived principally from Hong Kong.

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, prepaid lease payments and deposits for acquisition of land and buildings analysed by geographical areas in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment, prepaid lease payments and deposit for acquisition of land and buildings	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**—**	5,330	**3**	865
Other regions in the PRC	**225,547**	79,982	**168,368**	585
	225,547	85,312	**168,371**	1,450

6. OTHER INCOME

	Continuing operations		Discontinued operations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Bank interest income	**1,649**	5,529	**—**	28	**1,649**	5,557
Sundry income	**868**	235	**—**	—	**868**	235
Government grant	**98**	70	**—**	—	**98**	70
Gain on disposal of subsidiaries	**—**	111	**—**	—	**—**	111
Investment income	**366**	—	**—**	—	**366**	—
	2,981	5,945	**—**	28	**2,981**	5,973

7. FINANCE COSTS

	Continuing operations		Discontinued operations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on borrowings wholly repayable within five years:						
Bank borrowings	**150**	107	**—**	3,434	**150**	3,541
Other borrowings	**303**	302	**—**	—	**303**	302
	453	409	**—**	3,434	**453**	3,843

8. INCOME TAX CREDIT

	Continuing operations		Discontinued operations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:						
Reversal of income tax payable arising from disposal of dormant subsidiaries	**—**	14,687	**—**	—	**—**	14,687
Deferred tax credit:						
Current year	**—**	—	**—**	—	**—**	—
Overprovision in prior year	**1,225**	—	**—**	—	**1,225**	—
Attributable to a change in tax rate	**—**	(422)	**—**	—	**—**	(422)
	1,225	14,265	**—**	—	**1,225**	14,265

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation has been made in the consolidated financial statements as the subsidiaries operating in Hong Kong incurred tax loss for the both years.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiaries are exempted from PRC enterprise income tax for the first two years commencing from their first profit-making year of operation, followed by a 50% deduction for the next three years. A subsidiary established in Zhuhai Special Administrative Region in the PRC is entitled to preferential rate of 15%. No provision for PRC income tax has been made as all of the PRC subsidiaries are either not making profit in the year or profit exempted from PRC enterprise income tax.

The income tax credit for the year 2007 arose from the reversal of income tax payable as a consequence of the disposal of the dormant companies which carried the tax payable.

In 2007, the National People's Congress of the PRC approved the new PRC enterprise income tax law. With effect from 1 January 2008, the tax rate will be unified for both domestic and foreign investment enterprises at the rate of 25%. In addition, on 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate of the subsidiary established in Zhuhai Special Administrative Region from 15% to 18%, 20%, 22%, 24% and 25% for the year ending 31 December 2008, 2009, 2010, 2011, 2012 respectively for the subsidiary of the Company. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply in 2007. As a result of the change in tax rate, a deferred tax expense of HK$422,000 has been recognised in the consolidated income statement for the year ended 31 December 2007.

The income tax credit for the year can be reconciled to the loss before tax per the consolidated income statement as follows:

	2008	2007
	HK$'000	*HK$'000*
Loss before tax:		
Continuing operations	**(36,968)**	(37,181)
Discontinued operations	**—**	(11,656)
	(36,968)	(48,837)
Tax expense at domestic tax rate of 25% (2007: 17.5%)	**(9,242)**	(8,546)
Tax effect of expenses not deductible for tax purpose	**1,657**	7,467
Tax effect of income not taxable for tax purpose	**(533)**	(976)
Reversal of income tax payable arising from disposal of dormant subsidiaries	**—**	(14,687)
Tax effect of tax losses not recognised as deferred tax asset	**7,294**	2,191
Tax effect of tax exemption granted to PRC subsidiaries	**64**	(136)
Increase in deferred tax liabilities resulting from increase in applicable tax rate	**—**	422
Overprovision for deferred tax liabilities in prior year	**(1,225)**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**760**	—
Income tax credit for the year	**(1,225)**	(14,265)

Note: For the year ended 31 December 2007, tax expense was calculated at Hong Kong Profits Tax rate of 17.5% for reconciliation purpose. For the year ended 31 December 2008, tax expense was calculated at PRC tax rate of 25% as all Hong Kong operations were discontinued for the year ended 31 December 2007.

9. DISCONTINUED OPERATIONS

For the year ended 31 December 2007

On 2 March 2007, the Group entered into a share agreement as amended by a supplementary share agreement with an independent third party to dispose of a subsidiary, China Faith Limited, which was engaged in property investment. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on 20 March 2008, on which date control of China Faith Limited passed to the acquirer.

The loss for the year from the discontinued operation is analysed as followings:

	2007 *HK$'000*
Loss from property investment operation for the year	(1,446)
Loss on disposal of property investment operation	(10,210)
	(11,656)

The results and cash flows of this discontinued operation included in the consolidated income statement and the consolidated cash flow statement are set out below:

	2007 *HK$'000*
Loss for the year from discontinued operation	
Revenue	2,654
Rental outgoings	(489)
Other income	28
Gain on change in fair value of investment properties	—
Administrative expenses	(205)
Finance costs	(3,434)
Loss for the year	(1,446)
Cash flows from discontinued operation	
Net cash flows from operating activities	680
Net cash flows from investing activity	28
Net cash flows used in financing activities	(15,014)
	(14,306)

10. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic loss per share is based on the loss attributable to equity holders of the Company of HK$35,458,000 (2007: HK$32,200,000) and 299,847,000 shares (2007: the weighted average of 289,178,000 shares) in issue during the year.

From continuing operations

The calculation of the basic loss per share from continuing operations is based on the loss attributable to equity holders of the Company of HK$35,458,000 (2007: HK$20,544,000) and 299,847,000 shares (2007: the weighted average of 289,178,000 shares) in issue during the year.

From discontinued operation

Basic loss per share for the discontinued operation for 2007 was 4.04 cents per share, based on the loss for the year from the discontinued operations attributable to equity holders of the Company of HK$11,656,000 and the weighted average of 289,178,000 shares in issue in year 2007.

No diluted earnings per share has been presented because the Company has no potential ordinary shares issued in both years.

11. TRADE AND OTHER RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**334**	129
Consideration receivable	**—**	5,000
Other receivables	**1,283**	21,697
	1,617	26,826

Included in other receivables as at 31 December 2007 was an amount of HK$21,390,000 which represented payment in connection with acquisition of construction materials for properties that were still under construction. This contract was subsequently cancelled and the whole amount has been received for the year ended 31 December 2008.

The Group allows an average credit period of 30 days. The following is an aged analysis of trade receivables of the Group at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
0 - 60 days	**242**	129
61 - 90 days	**92**	—
	334	129

Before accepting any new customer, the Group has assessed the credit quality of each potential customer. In addition, the Group has reviewed repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable.

Included in the Group's trade recoverable are debtors with aggregate carrying amount of HK$96,000 (2007: Nil) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 31 days.

Aging of trade receivables which are past due but not impaired

	2008	2007
	HK$'000	*HK$'000*
0 - 30 days	**4**	—
31 - 60 days	**92**	—
	96	—

The trade receivables have been subsequently settled.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2008, turnover of the Group amounted to HK$4,458,000 (2007: HK$5,218,000) and loss for the year amounted to HK$35,743,000 (2007: HK$34,572,000). Despite of competitive business environment and the global financial difficulty in the later half of 2008, the management strived to maintain the operations of the Group and continued to control the costs and carry on the construction of the depot facilities in the PRC.

During the year under review, a segment loss of HK$173,000 was resulted for the production and sale of fertilizers and chemical segment (2007: profit of HK$900,000). The loss is due to the keen competition in the industry and the slow down of the economic environment in the PRC which led to a reduction in both the sales and the profit margin of the operation. The management will monitor the operation closely and explore various opportunities to widen the customer base and improve the profit margin in the coming year.

For the industrial property development business, the construction of the depot facilities is still in progress.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Group has current ratio of approximately 2.43 compared to that of 17.85 as at 31 December 2007 and the gearing ratio was 0.04 compared to that of 0.03 as at 31 December 2007. The calculation of gearing ratio was based on the total borrowings as at 31 December 2008 of HK$10,152,000 (2007: HK$9,142,000) and the equity attributable to equity holders at 31 December 2008 of HK$258,461,000 (2007: HK$279,590,000).

Capital commitment in respect of the acquisition and construction of property, plant and equipment amounted to HK$147,401,000 (2007: HK$24,790,000). A banking facility of RMB25,000,000 was obtained in early 2009 and is used to settle part of the contracts included in the capital commitment.

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly denominated in Hong Kong dollars and Renminbi ("RMB").

PROSPECTS

The Group's industrial property development is still in progress. The completion schedule of the depot facilities is deferred due to the global financial crisis and the slow down of the economic growth in the PRC which affect the import and export volume accordingly. Nevertheless, the depot facilities are expected to be completed by mid of 2009 and the management is confident that operation environment in the PRC will be improved by the time the depot facilities commence operation. The operation of the depot facilities are expected generate stable income and cashflow to the Group as a whole.

In January 2009, the Group acquired a commercial premise of approximately RMB13,838,000 in Beijing as an ancillary office of the Group. The premise is located at a prime commercial area of Beijing. With the establishment of a presence in the capital city, the management will continue to explore more business opportunity to maximize the returns to the shareholders.

CHARGES ON ASSETS

As at 31 December 2008, property, plant and equipment of HK$9,675,000 (2007: HK$7,127,000) are pledged against a bank loan granted to the Group.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2008.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2008, the Group has approximately 60 employees. Remuneration is determined by reference to their respective qualifications and experience and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

CORPORATE GOVERNANCE

During the year under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, except for the following deviations:

— Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

  Ms. Ma Xiaoling ("Ms. Ma") is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conductive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Ms. Ma and believes that her appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

— Code A.4.1 stipulates that non-executive directors of the Company should be appointed for specific terms and subject to re-election.

  The non-executive director and the independent non-executive directors of the Company were not appointed for any specific terms, as they are subject to retirement by rotation at the Company's annual general meeting in accordance with the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all directors whether the directors have complied with the required standard set out in the Model Code regarding directors' securities transactions and all directors confirmed that they have complied with the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The audit committee of the Company currently comprises three independent non-executive directors, including Mr. Ching Man Ky, Carl ("Mr. Ching"), Mr Lin Ruei Min ("Mr. Lin") and Mr. Shu Wa Tung, Laurence ("Mr. Shu"). The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2008.

REMUNERATION COMMITTEE

The Board has established a remuneration committee. The remuneration committee, currently comprising executive directors, Ms. Ma and Ms. Chan Siu Mun, non-executive director, Mr. Chan Sze Hon, and independent non-executive directors, Mr. Ching, Mr. Lin and Mr. Shu, is responsible for advising the Board on the remuneration policy and framework of the Company's directors and senior management members, as well as review and determine the remuneration of all executive directors and senior management members with reference to the Company's objectives from time to time.

By order of the board of
Greater China Holdings Limited
Ma Xiaoling
Chairman

Hong Kong, 24 April 2009

As at the date of this announcement, the Board comprises Ms. Ma Xiaoling and Ms. Chan Siu Mun as executive directors, Mr. Chan Sze Hon as non-executive director; and Mr. Ching Men Ky Carl, Mr. Lin Ruei-min and Mr. Shu Wa Tung Laurence as independent non-executive directors.