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 2010

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 2010, together with the figures for the year ended 31 December 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	NOTES	**2010** *HK$'000*	2009 *HK$'000*
Revenue	*4*	**9,377**	5,273
Cost of sales		**(2,247)**	(4,179)
Gross profit		**7,130**	1,094
Other income	*5*	**342**	1,123
Selling and distribution costs		**(622)**	(449)
Administrative and other operating expenses		**(32,211)**	(42,682)
Finance costs	*6*	**(4,769)**	(3,418)
Loss before tax		**(30,130)**	(44,332)
Income tax	*7*	**—**	—
Loss for the year		**(30,130)**	(44,332)
Other comprehensive income:			
Exchange differences on translation of foreign operation		**6,298**	—
Total comprehensive expense for the year		**(23,832)**	(44,332)

* *For identification purpose only*

	NOTES	2010 HK$'000	2009 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(29,944)**	(44,129)
Non-controlling interests		**(186)**	(203)
		(30,130)	(44,332)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(23,655)**	(44,129)
Non-controlling interests		**(177)**	(203)
		(23,832)	(44,332)
Loss per share — basic	*8*	**(9.99 cents)**	(14.72 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	NOTES	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**165,917**	116,172
Prepaid lease payments		**99,940**	98,661
Available-for-sale investments		**—**	—
Deposits for acquisition of leasehold land		**34,341**	33,171
		300,198	248,004
Current assets			
Inventories		**671**	29
Trade and other receivables	*9*	**3,344**	1,623
Prepaid lease payments		**2,203**	2,128
Prepayments and deposits		**564**	595
Pledged bank deposit		**—**	6,818
Bank balances and cash		**18,344**	45,216
		25,126	56,409
Current liabilities			
Other payables and accruals		**58,910**	6,791
Amounts due to a minority shareholder of subsidiaries		**10,563**	8,327
Bank loans		**64,706**	11,818
		134,179	26,936
Net current (liabilities) assets		**(109,053)**	29,473
Total assets less current liabilities		**191,145**	277,477
Non-current liabilities			
Deferred tax liabilities		**—**	—
Bank loans		**—**	62,500
		191,145	214,977
Capital and reserves			
Share capital		**1,499**	1,499
Reserves		**404,920**	398,631
Accumulated losses		**(215,742)**	(185,798)
Equity attributable to owners of the Company		**190,677**	214,332
Non-controlling interests		**468**	645
Total equity		**191,145**	214,977

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.

In preparing the consolidated financial statements, the fact that the directors of the Company have assessed the liquidity position and going concern of the Group in light of the fact that the Group incurred a loss of approximately HK$30,130,000 for the year ended 31 December 2010 and had net current liabilities of approximately HK$109,053,000 as at 31 December 2010. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration of the subsequent disposal of the port infrastructure project for RMB30,000,000 (equivalent to HK$35,294,000) in January 2011. In addition, the Group has signed an agreement with a bank in January 2011 to secure a one year term bank loan amounting to RMB20,000,000 (equivalent to HK$23,529,000) and a one year term undrawn bank facility of RMB55,000,000 (equivalent to HK$64,706,000). The bank loan of RMB20,000,000 (equivalent to HK$23,529,000) and the bank facility of RMB20,000,000 (equivalent to HK$23,529,000 have been drawn in March 2011 subsequently to finance the project development and repayment of its financial obligations. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Group is principally engaged in investment holding, production and sale of fertilisers 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 new and revised Standards, Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of the new and revised Standards, Amendments and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 July 2011.
4 Effective for annual periods beginning on or after 1 January 2013.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 February 2010.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new Standard might affect the consolidated financial statements of the Group.

The directors of the Company anticipate that the application of the other new and revised Standards and Interpretations will have no material effect on amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards 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 Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

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 statement of comprehensive income from the effective date of acquisition and 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 in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests has a binding obligation and were able to make an additional investment to cover the losses.

Revenue recognition

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

Warehouse storage income is recognised when the storage services are rendered.

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

Interest income from a financial asset is recognised where it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably. 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 buildings held for use in the production, or for administrative purpose and warehouse held for supply of storage services, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses; if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasehold land held for owner-occupied purpose and leasehold land upon which the warehouse is situated

The leasehold land component classified as an operating lease is presented as prepaid lease payment in the statement of financial position and is amortised on a straight-line basis over the lease term.

Impairment losses on tangible assets

At the end of the reporting period, 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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

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 as an expense immediately.

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 as income immediately.

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 recognized in profit and loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiation and arranging and operating lease are added to the carrying amount of the leased asset and recognized as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

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 the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in the profit or loss in the period in which they arise.

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 end of the reporting period, 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 in other comprehensive income and accumulated in equity (the translation reserve).

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 statement of comprehensive income 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 end of the reporting period.

Deferred tax is recognised on temporary 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. 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 the end of the reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Retirement benefit costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

For borrowing costs relating to qualifying assets for which the commencement date is on or before 1 January 2009, they are expensed to profit or loss when they are incurred in accordance with the transitional provisions in HKAS 23 (Revised 2007).

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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.

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 net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits, pledged bank deposit and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss financial assets below).

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 available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. 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
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for financial asset because of financial difficulties.

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. Changes in the carrying amount of the allowance account are recognised in profit or loss. 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 profit or loss.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss 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 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 profit or loss 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.

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.

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.

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 net amount on initial recognition.

Interest expense is recognised on an effective interest basis.

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.

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 in its entirety, 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 in other comprehensive income is recognised in profit or loss.

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 profit or loss.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on warehouse storage income and sales of fertilizers and chemicals. An analysis of the Group's revenue for the year is as follows:

	2010	2009
	HK$'000	*HK$'000*
Sales of goods	**1,959**	5,273
Warehouse storage income	**7,418**	—
	9,377	5,273

Business Segments

The Group's operations are organised into fertilizers and chemicals and industrial property development business. Information reported to the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group's reportable and operating segments comprise fertilizers and chemicals and industrial property development.

— Fertilizers and chemicals segment represented the production and sale of fertilizers and chemicals in Zhuhai, the PRC.

— Industrial property development segment represented the operation of warehouse in Taicang, the PRC and also the development of industrial property such as the port infrastructure project.

In the current year, there is a change of business plan regarding the development of one of the industrial property development projects included in the segment of industrial property development below. The Group entered into an agreement with Chinanet Development Limited ("Chinanet"), a third party to the Group, on 9 December 2010 to dispose of the port infrastructure project for a consideration of RMB30,000,000 and the transaction was completed in January 2011. All expenses related to this project were expensed when they were incurred in current and prior periods and hence, no assets or liabilities were recognised for this project as at the end of reporting period. Accordingly, gain of RMB30,000,000 will be recognised in the period in which the transaction is completed.

Segment revenues and results

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

For the year ended 31 December 2010

	Fertilizers and chemicals *HK$'000*	**Industrial property development** *HK$'000*	**Consolidated** *HK$'000*
SEGMENT REVENUE	**1,959**	**7,418**	**9,377**
Segment results	**(3,760)**	**(17,898)**	**(21,658)**
Unallocated other income			**1**
Unallocated bank interest income			**—**
Central administration costs			**(8,170)**
Interest expenses paid to a minority shareholder of subsidiaries			**(303)**
Loss for the year			**(30,130)**

For the year ended 31 December 2009

	Fertilizers and chemicals *HK$'000*	Industrial property development *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE	5,273	—	5,273
Segment results	(1,104)	(35,616)	(36,720)
Unallocated other income			929
Unallocated bank interest income			89
Central administration costs			(8,327)
Interest expenses paid to a minority shareholder of subsidiaries			(303)
Loss for the year			(44,332)

All of the segment revenue reported above is from external customers.

Segment result represents the post-tax profit or loss of the subsidiaries engaged in respective segment activities without allocation of some bank interest income, sundry income, central administrative costs and interest expenses paid to a minority shareholder of subsidiaries which are not earned by or received by those subsidiaries. This is the measure reported to the Group's chief executive officer for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

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

At 31 December 2010

	Fertilizers and chemicals *HK$'000*	**Industrial property development** *HK$'000*	**Consolidated** *HK$'000*
ASSETS			
Segment assets	**12,369**	**296,308**	**308,677**
Unallocated bank balances and cash			**15,779**
Unallocated property, plant and equipment			**304**
Unallocated other receivables, prepayments and deposits			**564**
Consolidated total assets			**325,324**
LIABILITIES			
Segment liabilities	**5,380**	**119,899**	**125,279**
Unallocated other payables			**990**
Unallocated amounts due to a minority shareholder of subsidiaries			**7,910**
Consolidated total liabilities			**134,179**

At 31 December 2009

	Fertilizers and chemicals *HK$'000*	Industrial property development *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	14,201	253,125	267,326
Unallocated bank balances and cash			35,988
Unallocated property, plant and equipment			520
Unallocated other receivables, prepayments and deposits			579
Consolidated total assets			304,413
LIABILITIES			
Segment liabilities	3,890	76,931	80,821
Unallocated other payables			1,007
Unallocated amounts due to a minority shareholder of subsidiaries			7,608
Consolidated total liabilities			89,436

Other information

For the year ended 31 December 2010

	Fertilizers and chemicals *HK$'000*	**Industrial property development** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Information included in segment results/segment assets:				
Capital additions	**84**	**50,998**	**—**	**51,082**
Amortisation and depreciation	**877**	**7,608**	**217**	**8,702**
Interest income	**4**	**280**	**—**	**284**
Finance costs	**—**	**4,466**	**303**	**4,769**
Write off of projects development costs (included in administrative and other operating expenses)	**—**	**880**	**—**	**880**
Impairment loss on inventory	**946**	**—**	**—**	**946**

For the year ended 31 December 2009

	Fertilizers and chemicals *HK$'000*	Industrial property development *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Information included in segment results/segment assets:				
Capital additions	171	64,111	—	64,282
Amortisation and depreciation	964	4,082	245	5,291
Interest income	6	37	89	132
Finance costs	120	2,995	303	3,418
Write off of projects development costs (included in administrative and other operating expenses	—	2,798	—	2,798
Impairment loss on prepayments for project development (included in administrative and other operating expenses)	—	14,318	—	14,318

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

The Group's revenue from external customers based on the locations of operations and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers Year ended		Non-current assets	
	31/12/2010	31/12/2009	**31/12/2010**	31/12/2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**—**	—	**304**	520
PRC	**9,377**	5,273	**299,894**	247,484
	9,377	5,273	**300,198**	248,004

Information about major customers

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

	Year ended	
	31/12/2010	31/12/2009
	HK$'000	*HK$'000*
Customer A[1]	**3,409**	N/A[3]
Customer B[1]	**2,239**	N/A[3]
Customer C[1]	**1,690**	N/A[3]
Customer D[2]	**1,011**	908
Customer E[2]	**N/A[3]**	592
Customer F[2]	**N/A[3]**	1,257
Customer G[2]	**N/A[3]**	1,006

1 Revenue from warehouse storage income.

2 Revenue from sale of goods.

3 The corresponding revenue did not contribute over 10% of the total sales of the Group.

5. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Bank interest income	**284**	132
Sundry income	**1**	930
Government grant	**57**	61
	342	1,123

6. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**4,466**	3,115
Interest expenses paid to a minority shareholder of subsidiaries	**303**	303
	4,769	3,418

7. INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
Deferred tax credit:		
Current year	**—**	—
	—	—

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit.

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

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

With effect from 1 January 2008, the tax rate was unified for both domestic and foreign investment enterprises at the rate of 25%. In addition, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations changed the tax rate of the subsidiary established in Zhuhai Special Administrative Region from 15% to 20%, 22%, 24% and 25% for the year ending 31 December 2009, 2010, 2011 and 2012 respectively for the subsidiary of the Company. The applicable tax rate for the subsidiary of the Company during the year is 22% (2009: 20%).

No provision for PRC income tax has been made as all of the PRC subsidiaries are not profit-making for both years.

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

	2010	2009
	HK$'000	*HK$'000*
Loss before tax	**(30,130)**	(44,332)
Tax credit at domestic tax rate of 25% (2009: 25%)	**(7,532)**	(11,083)
Tax effect of expenses not deductible for tax purpose	**1,642**	4,819
Tax effect of income not taxable for tax purpose	**(1)**	(177)
Tax effect of tax losses not recognised as deferred tax asset	**5,828**	5,823
Effect of different tax rates of subsidiaries operating in other jurisdictions	**63**	618
Income tax for the year	**—**	—

8. LOSS PER SHARE — BASIC

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of HK$29,944,000 (2009: HK$44,129,000) and 299,847,000 shares (2009: 299,847,000 shares) in issue during the year.

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

9. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**1,495**	415
Other receivables	**1,849**	1,208
	3,344	1,623

The Group allows an average credit period of 30 days. The following is an aged analysis of trade receivables based on invoice date of the Group at the end of reporting period:

	2010	2009
	HK$'000	*HK$'000*
0-60 days	**642**	415
61-90 days	**321**	—
Over 90 days	**532**	—
	1,495	415

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$1,174,000 (2009: HK$22,000) 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 90 days (2009: 31 days).

Aging of trade receivables which are past due but not impaired

	2010	2009
	HK$'000	*HK$'000*
0-30 days	**—**	—
31-60 days	**321**	22
61-90 days	**321**	—
Over 90 days	**532**	—
	1,174	22

The trade receivables were subsequently settled after the end of the reporting period.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2010, turnover of the Group amounted to HK$9,377,000 (2009: HK$5,273,000) and loss for the year amounted to HK$30,130,000 (2009: HK$44,332,000).

During the year under review, a segment income of HK$1,959,000 (2009: HK$5,273,000) and a segment loss of HK$3,760,000 (2009: HK$1,104,000) was resulted from the production and sale of fertilizers and chemical segment. The significant decrease in the segment income was due to the keen competition in the industry during the year. The situation was worsen with the increase in the costs of the operation including both the material costs and the labour cost in the PRC, leading to the segment loss for the year. The management will monitor the situation closely and strive to improve the situation in the near future.

The industrial property development segment commenced operation in the second half of 2010 and a segment income of HK$7,418,000 (2009: HK$nil) was resulted. The segment loss was reduced from HK$35,616,000 for the year ended 31 December 2009 to HK$17,898,000 for the current year.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2010, the Group has current ratio of approximately 0.19 compared to that of 2.09 as at 31 December 2009 and the gearing ratio was 0.39 which remained the same as that at 31 December 2009. The calculation of gearing ratio was based on the total borrowings as at 31 December 2010 of HK$75,269,000 (2009: HK$82,645,000) and the equity attributable to equity holders at 31 December 2010 of HK$190,677,000 (2009: HK$214,332,000).

Capital commitment in respect of the acquisition and construction of property, plant and equipment amounted to HK$77,366,000 (2009: HK$132,824,000).

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

With the commencement of operation of the depot facilities in the PRC in 2010, it is expected that the revenue of the Group as a whole would be improved and the cash flows generated from the operation would strengthen the overall financial position of the Group.

In December 2010, the Group entered into a co-operation agreement with a third party and pursuant to which all economic benefits and liabilities of the port infrastructure project (included in the industrial property development segment) would be transferred to the third party at a consideration of RMB30,000,000. The cash flow of the Group would be improved by RMB30,000,000 following the completion of this transaction. For details of the transaction, please refer to the announcement published by the Group on 10 December 2010.

The Group would focus on the industrial property development segment in the years to come with the objective to develop the segment as our major operation in terms of turnover as well as profitability. At the same time, the management will continue to explore business opportunity to maximize the returns to the shareholders.

CHARGES ON ASSETS

As at 31 December 2010, prepaid lease payments of HK$84,939,000 (2009: HK$83,875,000) was pledged against bank loans granted to the Group. The bank deposit of HK$6,818,000 pledged against bank loans granted to the Group in 2009 was released during the year upon settlement of the relevant bank loans.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2010.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, 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 Men 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 2010.

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, 30 March 2011

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.