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 2012

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 2012, together with the figures for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Notes	**2012** ***HK$'000***	2011 *HK$'000*
Continuing operations			
Revenue	*4*	**118,337**	184,187
Cost of sales		**(108,924)**	(175,701)
Gross profit		**9,413**	8,486
Other income	*5*	**5,760**	38,003
Selling and distribution costs		**(106)**	(141)
Administrative and other operating expenses		**(33,002)**	(37,380)
Impairment loss on trade and other receivables		**(5,677)**	–
Impairment loss on prepayments and deposits		**(76)**	–
Finance costs	*6*	**(20,219)**	(1,852)
(Loss) profit before tax		**(43,907)**	7,116
Income tax expense	*7*	**–**	(7,843)
Loss for the year from continuing operations		**(43,907)**	(727)
Discontinued operation			
Profit for the year from discontinued operation	*8*	**–**	3,104
(Loss) profit for the year		**(43,907)**	2,377

* *For identification purposes only*

	Notes	**2012** **HK$'000**	2011 HK$'000
Other comprehensive income (expense):			
Exchange differences on translation of foreign operations			
Exchange differences arising during the year		**1,483**	8,448
Reclassification adjustments relating to foreign operations disposed of during the year		**–**	(1,967)
		1,483	6,481
Total comprehensive (expense) income for the year		**(42,424)**	8,858
(Loss) profit for the year attributable to:			
Owners of the Company		**(43,817)**	2,506
Non-controlling interests		**(90)**	(129)
		(43,907)	2,377
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(42,337)**	8,970
Non-controlling interests		**(87)**	(112)
		(42,424)	8,858
		HK cents	*HK cents*
(Loss) earnings per share – basic and diluted			
From continuing and discontinued operations	*9*	**(14.61)**	0.84
From continuing operations	*9*	**(14.61)**	(0.20)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**152,255**	169,167
Prepaid lease payments		**96,616**	98,011
Deposits for acquisition of leasehold land		**35,988**	35,689
		284,859	302,867
Current assets			
Inventories		**–**	1,732
Trade and other receivables	*10*	**25,542**	2,022
Prepaid lease payments		**2,217**	2,198
Prepayments and deposits		**3,388**	31,396
Pledged bank deposits		**44,902**	12,061
Bank balances and cash		**8,046**	35,077
		84,095	84,486
Current liabilities			
Trade payables	*11*	**91**	1,970
Other payables and accruals	*11*	**10,523**	41,948
Bills payables		**87,967**	74,337
Bank loans		**104,765**	61,132
Tax payables		**8,029**	7,963
		211,375	187,350
Net current liabilities		**(127,280)**	(102,864)
Total assets less current liabilities		**157,579**	200,003
Net assets		**157,579**	200,003
Capital and reserves			
Share capital		**1,499**	1,499
Reserves		**155,811**	198,148
Equity attributable to owners of the Company		**157,310**	199,647
Non-controlling interests		**269**	356
Total equity		**157,579**	200,003

1. GENERAL

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.

In the opinion of the directors, the Company's ultimate holding company is Keenlead Holdings Limited, a company incorporated in the British Virgin Islands.

The Group is principally engaged in investment holding, industrial property development and warehouse projects and trading of goods including fuels, metal materials and electronic parts.

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.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have assessed the liquidity position and going concern of the Group in light of the fact that the Group had net current liabilities of approximately HK$127,280,000 as at 31 December 2012 and the Group incurred a loss of approximately HK$43,907,000 for the year ended 31 December 2012. 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 following:

(i) The undrawn banking facilities of approximately HK$79,244,000 (equivalent to RMB64,275,000) in aggregate are available which are obtained before 31 December 2012, which comprised of:

  (a) an undrawn banking facility of approximately HK$11,435,000 (equivalent to RMB9,275,000) from Jiangsu Taicang Rural Commercial Bank Co., Ltd. which is available until 20 June 2013; and

  (b) an undrawn banking facility of approximately HK$6,164,000 (equivalent to RMB5,000,000) and HK$61,645,000 (equivalent to RMB50,000,000) from Shanghai Pudong Development Bank (the "SPD Bank") which is available until 16 January 2014 and 17 February 2014 respectively.

(ii) The ultimate holding company and substantial shareholder, Keenlead Holdings Limited, agreed to provide continuous financial support to the extent of HK$49,000,000 to the Group to meet its working capital requirements.

(iii) The Group intends to dispose of the building situated at Units 501 and 508, Level 5, Block 2, Phase 1, Jinguanyuan, No. 16 Xinhua Lane, Xicheng District, Beijing, the PRC, with the carrying amounts included in the property, plant and equipment of HK$2,223,000 and prepaid lease payments of HK$13,795,000. At the end of the reporting period, the market value of the property was approximately HK$21,150,000 as valued by an independent appraisal firm.

(iv) The Group is negotiating with the China Taicang Port Development Zone (the "TPDZ"), an organisation established under the People's Government of Jiangsu Province, for the disposal of a parcel of land located in Taicang City, Jiangsu Province, the PRC (the "Land"), together with a refund of deposit paid for acquiring another piece of land in Taicang, the PRC (the "Deposit") (collectively referred to the "Transaction"). Both the Land was acquired from and the Deposit was paid to TPDZ in previous years.

In the opinion of directors, the consideration of the Transaction will approximately be equal to the aggregate amount paid by the Group. As at 31 December 2012, even though there is no binding agreement in relation to the Transaction, the directors target to complete the Transaction within the next twelve months. The carrying value of the Land included in prepaid lease payments and the Deposit included in the deposits for acquisition of leasehold land were HK$55,431,000 and HK$35,988,000 respectively.

In view of the available banking facilities and the financial support to be provided by the ultimate holding company, and taking into account of the proceeds that would be received by the Group on completion of the Transaction, we believe that the Group will have adequate financial resources for its working capital requirement for the ensuing year, accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

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

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycles issued in 2012

The application of the new and revised HKFRSs 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.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle except for the amendments HKAS 1[1]
Amendments to HKFRS 1	Government Loans[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 *Effective for annual periods beginning on or after 1 January 2013.*

2 *Effective for annual periods beginning on or after 1 January 2014.*

3 *Effective for annual periods beginning on or after 1 January 2015.*

4 *Effective for annual periods beginning on or after 1 July 2012.*

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009 – 2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 Property, Plant and Equipment and the amendments to HKAS 32 Financial Instruments: Presentation.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors do not anticipate that the application of the amendments will have a material effect on the Group's consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

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

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

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

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKFRS 9 Financial Instruments

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The directors do not anticipate that the application of the amendments will have a material effect on the Group's consolidated financial statements.

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

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

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HK (SIC)-Int 12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

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

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors do not anticipate that the application of these five standards will have a material effect on the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

HKFRS 13 Fair Value Measurement

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

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that the application of the amendments will have no material effect on amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

HKAS 19 (as revised in 2011) Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application. The directors anticipate that the application of the amendments will have no material effect on amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

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

The directors of the Company anticipate that the application of the 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.

4. REVENUE AND SEGMENT INFORMATION

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

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Sales of goods	**108,667**	176,107
Warehouse storage income	**9,670**	8,080
	118,337	184,187

Business Segments

The Group's operations are organised into industrial property development business and general trading. 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 industrial property development and general trading.

– Industrial property development segment represented the operation of warehouse in Taicang, the PRC and also the development of industrial property.

– General trading segment included trading of fuels, metal materials and electronic parts. Currently, the Group's general trading activities are carried out in the PRC.

For the year ended 31 December 2011, there was a change of business plan regarding the fertilizers and chemicals segment. The Group disposed of its entire 51% equity interest in Lucky Green Limited and its subsidiary ("Lucky Green"). Lucky Green is principally engaged in the production and sales of fertilizers and chemical.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations and discontinued operation by reportable segments:

For the year ended 31 December 2012

	Continuing Operations			Discontinued Operation	
	Industrial property development *HK$'000*	General trading *HK$'000*	Subtotal *HK$'000*	Fertilizers and chemicals *HK$'000*	Total *HK$'000*
SEGMENT REVENUE	**9,670**	**108,667**	**118,337**	**–**	**118,337**
SEGMENT RESULTS	**(13,691)**	**(22,595)**	**(36,286)**	**–**	**(36,286)**
Unallocated corporate income			**4**	**–**	**4**
Unallocated corporate expenses			**(7,625)**	**–**	**(7,625)**
Loss before tax			**(43,907)**	**–**	**(43,907)**
Income tax			**–**	**–**	**–**
Loss for the year			**(43,907)**	**–**	**(43,907)**

For the year ended 31 December 2011

	Continuing Operations			Discontinued Operation	
	Industrial property development *HK$'000*	General trading *HK$'000*	Subtotal *HK$'000*	Fertilizers and chemicals *HK$'000*	Total *HK$'000*
SEGMENT REVENUE	8,080	176,107	184,187	907	185,094
SEGMENT RESULTS	17,211	(815)	16,396	(682)	15,714
Gain on disposal of subsidiaries			–	3,937	3,937
Unallocated corporate expenses			(9,280)	–	(9,280)
Interest expenses paid to a minority shareholder of subsidiaries			–	(151)	(151)
Profit before tax			7,116	3,104	10,220
Income tax			(7,843)	–	(7,843)
(Loss) profit for the year			(727)	3,104	2,377

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 sundry income and central administrative costs 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

At 31 December 2012

	Continuing Operations			Discontinued Operation	
	Industrial property development *HK$'000*	**General trading** *HK$'000*	**Subtotal** *HK$'000*	**Fertilizers and chemicals** *HK$'000*	**Total** *HK$'000*
ASSETS					
Segment assets	**300,122**	**61,726**	**361,848**	**–**	**361,848**
Unallocated bank balances and cash					**6,167**
Unallocated property, plant and equipment					**314**
Unallocated other receivables, prepayments and deposits					**625**
Consolidated total assets					**368,954**
LIABILITIES					
Segment liabilities	**59,526**	**151,244**	**210,770**	**–**	**210,770**
Unallocated other payables					**605**
Consolidated total liabilities					**211,375**

At 31 December 2011

	Continuing Operations			Discontinued Operation	
	Industrial property development *HK$'000*	General trading *HK$'000*	Subtotal *HK$'000*	Fertilizers and chemicals *HK$'000*	Total *HK$'000*
ASSETS					
Segment assets	321,469	51,097	372,566	–	372,566
Unallocated bank balances and cash					14,274
Unallocated property, plant and equipment					139
Unallocated other receivables, prepayments and deposits					374
Consolidated total assets					387,353
LIABILITIES					
Segment liabilities	69,916	116,775	186,691	–	186,691
Unallocated other payables					659
Consolidated total liabilities					187,350

Other information

For the year ended 31 December 2012

	Continuing Operations		Discontinued Operation		
	Industrial property development *HK$'000*	**General trading** *HK$'000*	**Fertilizers and chemicals** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Information included in segment results/segment assets:					
Capital additions	**63**	**–**	**–**	**359**	**422**
Amortisation and depreciation	**10,784**	**–**	**–**	**183**	**10,967**
Finance costs	**3,492**	**16,727**	**–**	**–**	**20,219**
Impairment loss on trade and other receivables	**3,691**	**1,986**	**–**	**–**	**5,677**
Impairment loss on prepayments and deposits	**–**	**76**	**–**	**–**	**76**
Interest income	**(698)**	**(954)**	**–**	**–**	**(1,652)**
Gain on disposal of property, plant and equipment	**(1,225)**	**–**	**–**	**–**	**(1,225)**
Written back of projects development costs	**(2,879)**	**–**	**–**	**–**	**(2,879)**

For the year ended 31 December 2011

	Continuing Operations		Discontinued Operation		
	Industrial property development *HK$'000*	General trading *HK$'000*	Fertilizers and chemicals *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Information included in segment results/segment assets:					
Capital additions	13,695	–	–	12	13,707
Amortisation and depreciation	12,628	–	318	177	13,123
Finance costs	279	1,573	151	–	2,003
Written off of projects development costs (including in administrative and other operating expenses)	331	–	–	–	331
Interest income	(8)	(1,001)	–	–	(1,009)

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 continuing operations 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		Non-current assets	
	31.12.2012	31.12.2011	**31.12.2012**	31.12.2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**314**	138
PRC	**118,337**	184,187	**284,545**	302,729
	118,337	184,187	**284,859**	302,867

Information about major customers

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

	31.12.2012	31.12.2011
	HK$'000	*HK$'000*
Customer A[1]	**32,721**	149,693
Customer B[1]	**62,199**	N/A[2]

1 *Revenue from sale of goods.*

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

5. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**1,652**	1,009
Exchange gain	**–**	375
Gain on disposal of port infrastructure project	**–**	36,127
Gain on disposal of property, plant and equipment	**1,225**	–
Other payables waived	**–**	361
Sundry income	**4**	131
Written back of projects development costs	**2,879**	–
	5,760	38,003

6. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans and other borrowings wholly repayable within five years	**20,219**	1,852

7. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Hong Kong	**–**	–
PRC Enterprise Income Tax	**–**	7,843
	–	7,843
Under (over) provision in prior year	**–**	–
Deferred tax	**–**	–
Total income tax recognised in profit and loss	**–**	7,843

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits.

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 losses for both years.

With effect from 1 January 2008, the tax rate was unified for both domestic and foreign investment enterprises at the rate of 25%.

The income tax expense for the year can be reconciled to the (loss) profit before tax from continuing operations per the consolidated statement of comprehensive income as follows:

	2012	2011
	HK$'000	*HK$'000*
(Loss) profit before tax from continuing operations	**(43,907)**	7,116
Tax (credit) charge at domestic tax rate of 25% (2011: 25%)	**(10,976)**	1,779
Tax effect of expenses not deductible for tax purpose	**2,802**	3,449
Tax effect of income not taxable for tax purpose	**(1,662)**	(1,175)
Tax effect of tax losses not recognised as deferred tax asset	**9,188**	2,602
Effect of different tax rates of subsidiaries operating in other jurisdictions	**648**	1,188
Income tax expense for the year	**–**	7,843

At the end of reporting period, the Group has unused tax losses subject to the agreement of tax authorities of HK$187,019,000 (2011: HK$159,657,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of HK$77,383,000 (2011: HK$68,366,000) can be carried forward for a period of five years. Other unrecognised tax losses may be carried forward indefinitely.

8. DISCONTINUED OPERATION

On 1 June 2011, the Company entered into a sale agreement with Greennice Group Limited, a third party to the Group, to dispose of its entire 51% equity interest in Lucky Green, which is principally engaged in the production and sale of fertilizers and chemicals in Zhuhai, the PRC, for a cash consideration of HK$300,000. The disposal was completed on 9 June 2011, on which date the Group lost control of Lucky Green. Since then Lucky Green ceased to be a subsidiary of the Group and the Group's production and sale of fertilizers and chemicals operation is treated as a discontinued operation.

The results of the Group's production and sales of fertilizers and chemicals operation included in the consolidated statement of comprehensive income and consolidated statement of cash flows are set out below.

	2012	2011
	HK$'000	*HK$'000*
Profit for the year from discontinued operation		
Revenue	**–**	907
Cost of sales	**–**	(877)
Selling and distribution costs	**–**	(214)
Administrative expenses	**–**	(498)
Finance costs – interest expenses paid to a minority shareholder of subsidiaries	**–**	(151)
Loss for the year	**–**	(833)
Gain on disposal of subsidiaries	**–**	3,937
Profit for the year from discontinued operation (attributable to owners of the Company)	**–**	3,104

Profit for the year from discontinued operation was arrived at after charging the following items:

	2012	2011
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**–**	318
Cost of inventories recognised as an expense	**–**	191
Staff costs including directors' emoluments	**–**	470

	2012	2011
	HK$'000	*HK$'000*
Cash flows from discontinued operation		
Net cash outflows from operating activities	**–**	(341)
Net cash outflows from investing activities	**–**	–
Net cash outflows from financing activities	**–**	–
Net cash outflows	**–**	(341)

9. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2012	2011
	HK$'000	*HK$'000*
(Loss) earnings		
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(43,817)**	2,506
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic (loss) earnings per share	**299,847**	299,847

From continuing operations

The calculation of basic (loss) earnings per share from continuing operations is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company	**(43,817)**	2,506
Less: profit for the year from discontinued operation	**–**	3,104
Loss for the purpose of basic loss per share from continuing operations	**(43,817)**	(598)

The denominators used are the same as those detailed above for basic (loss) earnings per share.

From discontinued operation

There is no (loss) earnings per share for the discontinued operation for the year ended 31 December 2012.

Basic earnings per share from discontinued operation for the year ended 31 December 2011 was HK1.04 cents per share, based on the profit for the year from the discontinued operation of HK$3,104,000 and the denominators detailed above for basic loss per share.

The amounts of diluted (loss) earnings per share are the same as basic (loss) earnings per share because the Company has no potential ordinary shares outstanding for both years.

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**1,505**	989
Less: impairment loss recognised	**(175)**	–
	1,330	989
Other receivables *(Note a)*	**29,726**	1,033
Less: impairment loss recognised	**(5,514)**	–
	24,212	1,033
Total trade and other receivables	**25,542**	2,022

Note:

(a) As at 31 December 2012, the net of accumulated impairment loss of other receivables mainly consist of the refund on purchase of inventory paid, refund on cost of construction of warehouse and refund on the projects development cost of approximately HK$13,845,000, HK$6,155,000 and HK$2,885,000 respectively.

The Group allows an average credit period of 90 days to its trade customers. The following is an aged analysis of trade receivables net of impairment loss presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2012	2011
	HK$'000	*HK$'000*
0-30 days	**597**	989
31-60 days	**372**	–
61-90 days	**361**	–
Over 90 days	**–**	–
	1,330	989

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.

The movements in impairment loss of trade receivables are as follows:

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the year	**–**	–
Recognised during the year	**174**	–
Exchange realignment	**1**	–
Balance at end of the year	**175**	–

The movements in impairment loss of other receivables are as follows:

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the year	**–**	–
Recognised during the year	**5,503**	–
Exchange realignment	**11**	–
Balance at end of the year	**5,514**	–

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**91**	1,970
Accrued expenses	**2,165**	1,875
Deposits received	**6,904**	16,015
Other payables	**1,454**	24,058
Total other payables and accruals	**10,523**	41,948
Total trade and other payables and accruals	**10,614**	43,918

The following is an analysis of trade payables by age based on the invoice date at the end of the reporting period:

	2012 HK$'000	2011 HK$'000
0 – 30 days	–	–
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	91	1,970
	91	1,970

The average credit period on purchases of certain goods is 3 months.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which indicates that the Group's consolidated current liabilities exceeded its consolidated current assets by HK$127,280,000 and the Group incurred a loss of HK$43,907,000 for the year ended 31 December 2012. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As explained in note 1 to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to renew its current banking facilities upon expiry, the financial support to be provided by its ultimate holding company and the Group's ability to dispose of certain of its assets to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. These consolidated financial statements do not include any adjustments that would result from the failure to achieve any of these actions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: nil).

BUSINESS REVIEW

For the year ended 31 December 2012, turnover of the Group from continuing operation amounted to HK$118,337,000 (2011: HK$184,187,000) which comprised of revenue from general trading segment of HK$108,667,000 (2011: HK$176,107,000) and revenue from industrial property development segment of HK$9,670,000 (2011: HK$8,080,000).

Due to the slow down of the economic growth in the PRC market, the demand for raw materials such as fuel, metal materials, electronic parts, etc. dropped significantly which led to a decrease in revenue of the general trading business by HK$67,440,000 as compared that of the previous year. At the same time, the margin continued to reduce and resulted in a segment loss of HK$22,595,000 (2011: HK$815,000).

The industrial property development segment remained stable and a slight increase in revenue by HK$1,590,000 is noted as a result of the increase in storage utilisation of the warehouse.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2012, the Group has current ratio of approximately 0.40 (2011: 0.45) and the gearing ratio of the Group was 1.23 (2011: 0.68). The calculation of gearing ratio was based on the total borrowings of HK$192,732,000 (2011: HK$135,469,000) and the equity attributable to equity holders of HK$157,310,000 (2011: HK$199,647,000).

Capital commitment in respect of the acquisition and construction of property, plant and equipment amounted to HK$2,813,000 (2011: HK$63,555,000).

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

PROSPECTS

For the coming year, the management will continue to negotiate actively in the disposal of a parcel of land with total site area of approximately 200,000 square meters in Taicang City, Jiangsu Province, the PRC owned by the Group and targets to complete the transaction at the earliest possible time. The proceeds from such disposal, if completed, will be used to reduce the existing bank borrowings of the Group and thus to improve the financial position of the Group as a whole.

For the general trading segment, the Group will closely monitor its profitability and stability. If the situation is not improved in near future, the management will consider all viable solutions including but not limited to the termination of the segment to reduce further loss.

For the industrial property development segment, it remains comparatively stable and the management will focus on introducing additional services to the existing customers with the objective to broaden the income stream and improve the profitability.

Overall speaking, the Group will strive to reduce the total bank borrowings and increase the cash inflow to restore a more healthy financial position in the coming year.

CHARGES ON ASSETS

As at 31 December 2012, prepaid lease payments and warehouse with the aggregate carrying amounts of HK$85,038,000 (2011: HK$86,302,000) and HK$149,362,000 (2011: 165,689,000) respectively were pledged against bank loans granted to the Group.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2012.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group has approximately 40 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.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

During the year, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

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.

– Code A.5 stipulates that a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of directors.

  The Board as a whole is responsible for the appointment of its own members. The Board does not establish a nomination committee and is not considering to establish the same in view of the small size of the Board. The chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidate recommended by the chairman and make recommendation the appointment, re-election and retirement of the directors. Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company.

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 2012.

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.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditor, HLM CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on the preliminary announcement.

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

Hong Kong, 26 March 2013

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.