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 2011

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 2011, together with the figures for the year ended 31 December 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

Continuing operations	*Notes*	**2011** ***HK$'000***	2010 *HK$'000* (restated)
Revenue	*3*	**184,187**	7,418
Cost of sales		**(175,701)**	–
Gross profit		**8,486**	7,418
Other income	*4*	**38,003**	282
Selling and distribution costs		**(141)**	–
Administrative and other operating expenses		**(37,380)**	(29,294)
Finance costs	*5*	**(1,852)**	(4,466)
Profit (loss) before tax		**7,116**	(26,060)
Income tax	*6*	**(7,843)**	–
Loss for the year from continuing operations		**(727)**	(26,060)
Discontinued operation			
Profit (loss) for the year from discontinued operation	*7*	**3,104**	(4,070)
Profit (loss) for the year		**2,377**	(30,130)

* *For identification purposes only*

Continuing operations	*Note*	**2011** ***HK$'000***	2010 *HK$'000* (restated)
Other comprehensive income (expense):			
Exchange differences on translation of foreign operations			
Exchange differences arising during the year		**8,448**	6,298
Reclassification adjustments relating to foreign operations disposed of during the year		**(1,967)**	–
		6,481	6,298
Total comprehensive income (expense) for the year		**8,858**	(23,832)
Profit (loss) for the year attributable to:			
Owners of the Company		**2,506**	(29,944)
Non-controlling interests		**(129)**	(186)
		2,377	(30,130)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**8,970**	(23,655)
Non-controlling interests		**(112)**	(177)
		8,858	(23,832)
		HK cents	HK cents
Earnings (loss) per share – basic and diluted			
From continuing and discontinued operations	*8*	**0.84**	(9.99)
From continuing operations		**(0.20)**	(8.63)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**169,167**	165,917
Prepaid lease payments		**98,011**	99,940
Available-for-sale investments		**–**	–
Deposits for acquisition of leasehold land		**35,689**	34,341
		302,867	300,198
Current assets			
Inventories		**1,732**	671
Trade and other receivables	*9*	**2,022**	3,344
Prepaid lease payments		**2,198**	2,203
Prepayments and deposits		**31,396**	564
Bank balances and cash		**47,138**	18,344
		84,486	25,126
Current liabilities			
Trade payables	*10*	**1,970**	–
Other payables and accruals	*10*	**41,948**	58,910
Bills payables		**74,337**	–
Amounts due to a minority shareholder of subsidiaries		**–**	10,563
Bank loans		**61,132**	64,706
Tax payables		**7,963**	–
		187,350	134,179
Net current liabilities		**(102,864)**	(109,053)
Net assets		**200,003**	191,145
Capital and reserves			
Share capital		**1,499**	1,499
Reserves		**198,148**	189,178
Equity attributable to owners of the Company		**199,647**	190,677
Non-controlling interests		**356**	468
Total equity		**200,003**	191,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. BASIS OF PRESENTATION

The Company was incorporated in the 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 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$102,864,000 as at 31 December 2011. 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 HK$114,684,000 (equivalent to RMB93,800,000);

(ii) the substantial shareholder, Keenlead Holdings Limited, agreed to provide continuous financial support to the Group; and

(iii) the Group entered into a non-legally binding Letter of Intent ("LOI") with an independent third party on 26 March 2012. The Group intends to dispose of the economic benefits and business risks associated with a parcel of land located in Taicang City, Jiangsu Province, the PRC. The market value of the land will be used as a reference for the determination of the consideration. The land consists of prepaid lease payments with carrying value amounted to HK$56,168,000.

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 fertilizers, chemicals, industrial property development and warehouse projects and trading of goods including fuels, metal materials and electronic parts.

2. APPLICATION OF NEW AND 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").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

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 HKFRSs that have been issued but are not yet effective:

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

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

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.

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

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

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

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

HKFRS 13 establishes a single source of guidance for fair value measurement 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 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 amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

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

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

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

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

3. REVENUE AND SEGMENT INFORMATION

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

	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Sales of goods	**176,107**	–
Warehouse storage income	**8,080**	7,418
	184,187	7,418

Business Segments

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

– 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.

– 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.

During the year, the Group disposed its equity interest in a subsidiary engaging in fertilizers and chemicals and the disposal was completed in June 2011. Fertilizers and chemicals is classified as discontinued operation. A new segment, general trading, and industrial property development are classified as continuing operations of the Group.

Segment revenues and results

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

For the year ended 31 December 2011

	Continuing Operations			Discontinued Operation	
	Industrial property development	General trading	Subtotal	Fertilizers and chemicals	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*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**

For the year ended 31 December 2010

	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	7,418	–	7,418	1,959	9,377
SEGMENT RESULTS	(17,898)	–	(17,898)	(3,760)	(21,658)
Unallocated corporate income			1	–	1
Unallocated corporate expenses			(8,163)	(7)	(8,170)
Interest expenses paid to a minority shareholder of subsidiaries			–	(303)	(303)
Loss before tax			(26,060)	(4,070)	(30,130)
Income tax			–	–	–
Loss for the year			(26,060)	(4,070)	(30,130)

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 segments.

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**

At 31 December 2010

	Continuing Operations			Discontinued Operation	
	Industrial property development	General trading	Subtotal	Fertilizers and chemicals	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Segment assets	296,308	–	296,308	12,369	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	119,899	–	119,899	5,380	125,279
Unallocated other payables					990
Unallocated amounts due to a minority shareholder of subsidiaries					7,910
Consolidated total liabilities					134,179

Other information

For the year ended 31 December 2011

	Continuing Operations		**Discontinued Operation**		
	Industrial property development	**General trading**	**Fertilizers and chemicals**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***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**
Interest income	**8**	**1,001**	**–**	**–**	**1,009**
Finance costs	**279**	**1,573**	**–**	**151**	**2,003**
Write off of projects development costs (including in administrative and other operating expenses)	**331**	**–**	**–**	**–**	**331**

For the year ended 31 December 2010

	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	50,998	–	84	–	51,082
Amortisation and depreciation	7,608	–	877	217	8,702
Interest income	280	–	4	–	284
Finance costs	4,466	–	–	303	4,769
Write off of projects development costs (including in administrative and other operating expenses)	880	–	–	–	880
Impairment loss on inventory	–	–	946	–	946

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**	
	2011 ***HK$'000***	2010 *HK$'000*	**31.12.2011** ***HK$'000***	31.12.2010 *HK$'000*
Hong Kong	**–**	–	**138**	304
PRC	**184,187**	7,418	**302,729**	299,894
	184,187	7,418	**302,867**	300,198

Information about major customers

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

	2011	2010
	HK$'000	*HK$'000*
Customer A[1]	**149,693**	N/A[3]
Customer B[2]	**N/A[3]**	3,409
Customer C[2]	**N/A[3]**	2,239
Customer D[2]	**N/A[3]**	1,690
Customer E[1]	**N/A[3]**	1,011

[1] *Revenue from sale of goods.*

[2] *Revenue from warehouse storage income.*

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

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**1,009**	280
Exchange gain	**375**	–
Gain on disposal of port infrastructure project	**36,127**	–
Other payables waived	**361**	–
Sundry income	**131**	2
	38,003	282

Included in other income was a gain on disposal of port infrastructure project included in the industrial property development segment amounting to HK$36,127,000 (equivalent to RMB30,000,000). In December 2010, the Group entered into an agreement with Chinanet Development Limited ("Chinanet"), a third party to the Group, to dispose of the port infrastructure project. The transaction was completed in January 2011. All expenditures amounting to HK$18,064,000 (equivalent to RMB15,000,000) incurred by the Group in relation to this project were expensed in profit or loss when they were incurred in prior periods and hence, no assets or liabilities were recognised for this project. Accordingly, a gain of HK$36,127,000 is recognised in the current period.

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans and other borrowings wholly repayable within five years	**1,852**	4,466

6. INCOME TAX

	2011	2010
	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% (2010: 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 loss 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 for the year can be reconciled to the profit (loss) before tax per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$'000	*HK$'000*
Profit (loss) before tax from continuing operations	**7,116**	(26,060)
Tax charge (credit) at domestic tax rate of 25% (2010: 25%)	**1,779**	(6,515)
Tax effect of expenses not deductible for tax purpose	**3,449**	1,591
Tax effect of income not taxable for tax purpose	**(1,175)**	(1)
Tax effect of tax losses not recognised as deferred tax asset	**2,602**	4,888
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,188**	37
Income tax 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$159,657,000 (2010: HK$141,469,000), 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$68,366,000 (2010: HK$59,445,000) can be carried forward for a period of five years. Other unrecognised tax losses may be carried forward indefinitely.

7. 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 Limited ("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. The comparative loss and cash flows from discontinued operation have been re-presented to include the operation classified as discontinued in the current year.

	2011	2010
	HK$'000	*HK$'000*
Profit (loss) for the year from discontinued operation		
Revenue	**907**	1,959
Cost of sales	**(877)**	(2,247)
Other income	**–**	60
Selling and distribution costs	**(214)**	(622)
Administrative expenses	**(498)**	(2,917)
Finance costs – interest expenses paid to a minority shareholder of subsidiaries	**(151)**	(303)
Loss for the year	**(833)**	(4,070)
Gain on disposal of subsidiaries	**3,937**	–
Profit (loss) for the year for discontinued operation (attributable to owners of the Company)	**3,104**	(4,070)

Profit (loss) for the period from discontinued operation was arrived at after charging the following items:

	2011	2010
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments	**–**	85
Depreciation of property, plant and equipment	**318**	792
Impairment loss on inventory	**–**	946
Cost of inventories recognised as an expenses	**191**	489
Staff costs including directors' emoluments	**470**	1,226

	2011	2010
	HK$'000	*HK$'000*
Cash flows from discontinued operation		
Net cash outflows from operating activities	**(341)**	(1,960)
Net cash outflows from investing activities	**–**	(81)
Net cash inflows from financing activities	**–**	–
Net cash flows	**(341)**	(2,041)

8. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2011	2010
	HK$'000	*HK$'000*
Earnings (loss)		
Profits (loss) for the period attributable to owners of the Company for the purpose of basic earnings (loss) per share	**2,506**	(29,944)
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic earnings (loss) per share	**299,847**	299,847

From continuing operations

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

	2011	2010
	HK$'000	*HK$'000*
Profits (loss) for the period attributable to owners of the Company	**2,506**	(29,944)
Less: Profit (loss) for the period from discontinued operation	**3,104**	(4,070)
Loss for the purpose of basic loss per share from continuing operations	**(598)**	(25,874)

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

From discontinued operation

Basic earnings per share from discontinued operation is HK1.04 cents per share (2010: loss per share HK1.36 cents), based on the profit for the period from discontinued operation of HK$3,104,000 (2010: loss of HK$4,070,000) and the denominators detailed above for basic earnings per share.

No diluted loss per share has been presented because the Company has no potential ordinary shares outstanding for both periods.

9. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**989**	1,495
Other receivables	**1,033**	1,849
	2,022	3,344

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.

	2011	2010
	HK$'000	*HK$'000*
0 – 60 days	**989**	642
61 – 90 days	**–**	321
Over 90 days	**–**	532
	989	1,495

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 receivables are debtors with aggregate carrying amount of HK$nil (2010: HK$1,174,000) 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 as at 31 December 2010 is 90 days.

Aging of trade receivables which are past due but not impaired

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**–**	–
31 – 60 days	**–**	321
61 – 90 days	**–**	321
Over 90 days	**–**	532
	–	1,174

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**1,970**	–
Other payables and accruals *(Note a)*	**41,948**	58,910
	43,918	58,910

The following is an analysis of trade payables by age based on the invoice date.

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**–**	–
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**1,970**	–
	1,970	–

The average credit period on purchases of certain goods is 3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Note:

(a) Included in the balance are payables for the cost of construction of warehouse of HK$23,889,000 (2010: HK$45,446,000). The construction of warehouse was completed in July 2010. Also included in the balance are deposits of HK$13,569,000 (2010: HK$nil) for the sales of inventory received from third parties. The remaining balance are the accrued expenses and other payables.

EVENT AFTER THE REPORTING PERIOD

On 26 March 2012, Taicang Sinochem International Xingye Petrochemical Development Company Limited ("Taicang"), the indirectly wholly-owned subsidiary of the Company, entered into a non-legally binding Letter of Intent ("LOI") with an independent third party, 江蘇南通三建集團有限公司太倉分公司 ("Jiangsu Nantong"). Pursuant to the LOI, Taicang intends to dispose of the economic benefits and business risks associated with a parcel of land located in Taicang City, Jiangsu Province, the PRC. The market value of the land will be used as a reference for the determination of the consideration. The land consists of prepaid lease payments with carrying value amounted to HK$56,168,000. Further details were set out in the Company's announcement dated 26 March 2012.

EXTRACTS FROM INDEPENDENT AUDITORS' 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 2011, and of its profit 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$102,864,000. 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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: nil).

BUSINESS REVIEW

For the year ended 31 December 2011, turnover of the Group from the continuing operation amounted to HK$184,187,000 (2010: HK$7,418,000) which comprised of revenue from general trading segment of HK$176,107,000 (2010: nil) and revenue from industrial property development segment of HK$8,080,000 (2010: HK$7,418,000).

With the objective to broaden the operations of the Group and improve its profitability, the Group commenced its general trading business which included trading of goods such as fuel, metal materials, electronic parts, etc. during the year. In order to gain market share and build a customer base, the business is operated under a slim margin which resulted in a segment loss of HK$815,000 (2010: nil). The management is of the opinion that the margin will be improved once the operation is stable.

For the industrial property development segment, a segment profit of HK$17,211,000 (2010: segment loss of HK$17,898,000) was resulted. The profit is mainly due to the completion of the port infrastructure co-operative agreement entered into by the Group in December 2010 pursuant to which all the economic benefits arising from a port infrastructure project as well as the liabilities, taxes, costs and expenses incurred would be transferred to the counterpart of the agreement at a consideration of RMB30,000,000 (equivalent to HK$36,127,000) and a gain of HK$36,127,000 was recorded accordingly. The warehouse storage income remained stable as compared to previous year.

The fertilizers and chemical segment was disposed of during the year. Turnover from the fertilizers and chemicals segment prior to its disposal amounted to HK$907,000 (2010: HK1,959,000). Given the severe operating environment and the shrinkage of the turnover of the fertilizers and chemicals segment, the management considered that the disposal would streamline the operation and enhance the efficiency of the use in working capital of the Group. A profit of HK$3,104,000 was recorded from the discontinued operation (2010: loss of HK$4,070,000).

As a consequence of the disposal of the fertilizers and chemicals segment, the completion of the port infrastructure co-operative agreement, and the commencement of the new general trading business, the results of the Group as a whole improved significantly and a net profit of HK$2,377,000 (2010: net loss of HK$30,130,000) was recorded.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2011, the Group has current ratio of approximately 0.45 (2010: 0.19) and the gearing ratio of the Group was 0.68 (2010: 0.39). The calculation of gearing ratio was based on the total borrowings of HK$135,469,000 (2010: HK$75,269,000) and the equity attributable to equity holders of HK$199,647,000 (2010: HK$190,677,000).

Capital commitment in respect of the acquisition and construction of property, plant and equipment amounted to HK$63,555,000 (2010: HK$77,366,000).

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

On 26 March 2012, the Group entered into a letter of intent with a third party pursuant to which both parties will negotiate to enter into a formal agreement to transfer the economic benefits and business risks associated with 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. The management is of the opinion that the proceeds from such disposal, if completed, will be used to reduce the existing bank borrowings of the Group and thus improve the financial position of the Group as a whole.

The management will focus on expanding the industrial property development segment in terms of turnover and profitability. The management would also closely monitor the business of general trading with the objective to improve its profitability and cash flow. 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 2011, prepaid lease payments and warehouse with the aggregate carrying amounts of HK$86,302,000 (2010: HK$84,939,000) and HK$165,689,000 (2010: nil) 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 2011.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, 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.

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 2011.

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 2012

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.