大中華地產控股有限公司
GREAT CHINA PROPERTIES HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 21)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the "Board") of Great China Properties Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 together with the selected comparative information for the corresponding year in 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	4	**33,096**	12,363
Cost of sales		**(28,779)**	(10,141)
GROSS PROFIT		**4,317**	2,222
Other income and gains	4	**31,169**	14,467
Fair value gain on investment properties		**–**	6,728
Selling and distribution expenses		**(13,784)**	(4,816)
Administrative and operating expenses		**(26,174)**	(24,443)
Finance costs	5	**–**	–
LOSS BEFORE TAX	6	**(4,472)**	(5,842)
Income tax credit/(expense)	7	**980**	(1,399)
LOSS FOR THE YEAR		**(3,492)**	(7,241)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
– Owners of the Company		**(3,492)**	(7,241)
– Non-controlling interests		**–**	–
		(3,492)	(7,241)

	Notes	**2016**	2015
		HK$'000	*HK$'000*
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		**(95,926)**	(64,968)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(99,418)**	(72,209)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
– Owners of the Company		**(99,418)**	(72,209)
– Non-controlling interests		**–**	–
		(99,418)	(72,209)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	*9*	**HK0.11 cents**	HK0.22 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	**2016** HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**93,709**	8,202
Investment properties		**224,921**	240,384
Goodwill		**203,203**	217,174
Interests in associates		**133,849**	143,051
Properties under development		**563,186**	566,282
Prepayments	*11*	**102**	195
Total non-current assets		**1,218,970**	1,175,288
CURRENT ASSETS			
Properties held for sale		**580,551**	586,074
Trade receivables	*10*	**1,245**	778
Prepayments, deposits and other receivables	*11*	**10,299**	4,337
Tax recoverable		**39**	399
Equity investments at fair value through profit or loss		**106**	105
Cash and bank balances		**7,212**	6,171
Total current assets		**599,452**	597,864
CURRENT LIABILITIES			
Trade payables	*12*	**20,294**	23,447
Other payables and accruals	*13*	**76,346**	52,318
Interest-bearing borrowing		**–**	44,633
Amounts due to related companies		**137,363**	118,253
Amounts due to substantial shareholders		**482,900**	319,342
Tax payable		**48**	492
Total current liabilities		**716,951**	558,485
NET CURRENT (LIABILITIES)/ASSETS		**(117,499)**	39,379
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,101,471**	1,214,667

	2016	2015
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**171,192**	184,970
Total non-current liabilities	**171,192**	184,970
Net assets	**930,279**	1,029,697
EQUITY		
Equity attributable to owners of the Company		
Share capital	**905,676**	905,676
Other reserves	**24,590**	124,008
	930,266	1,029,684
Non-controlling interests	**13**	13
Total equity	**930,279**	1,029,697

NOTES:
For the year ended 31 December 2016

1. CORPORATE INFORMATION

Great China Properties Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong. Its registered office is located at Suite 6403A-4, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in property development and investment.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The Group recorded a consolidated net loss of HK$3,492,000 and net cash outflows from operating activities of HK$100,163,000 for the year. In addition, the Group had net current liabilities of HK$117,499,000 and cash and bank balances of HK$7,212,000 as at 31 December 2016. Notwithstanding of the above, the directors consider the going concern basis of preparation of the consolidated financial statements is appropriate after taking into consideration the following:

(a) The Group is able to generate operating profits and cash inflows from future sales of properties; and

(b) The substantial shareholder has confirmed that he will provide financial support to the Group to meet its financial obligations as they fall due, if required, including not to demand repayment of the amounts due to him and due to companies controlled by him until the Group is in a position to do so.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts and to provide for any further liabilities which might arise. The effect to these adjustments has not been reflected in the consolidated financial statements.

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention, except for certain investment properties and equity investments at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Changes in accounting policies

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2015 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year. A summary of the principal accounting policies adopted by the Group is set out below.

Amendments to HKAS 1: Disclosure Initiative

The amendments include changes in the following five areas: (1) materiality; (2) disaggregation and subtotals; (3) structure of notes; (4) disclosure of accounting policies; (5) presentation of items of other comprehensive income arising from investments accounted for using equity method. It is considered that these amendments are clarifying amendments that do not directly affect an entity's accounting policies or accounting estimates.

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

Amendments to HKASs 16 and 38: Clarification of Acceptable Methods of Depreciation and Amortisation

HKAS 16 and HKAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The amendments to HKAS 16 clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to HKAS 38 clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

Annual Improvements Project – 2012-2014 Cycle

HKAS 34 Interim Financial Reporting: Disclosure of Information "elsewhere in the interim financial report"

The amendment clarifies the meaning of disclosures of certain information "elsewhere in the interim financial report" as allowed by HKAS 34. The disclosures shall be given by cross-reference from the interim financial statements to some other statement that is available to users of the interim financial statements on the same terms as the interim financial statements and at the same time.

The adoption of the amendments did not have any significant impact on the consolidated financial statements.

New and revised HKFRSs not yet adopted

The HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 7	*Disclosure Initiative* [1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses* [1]
Annual Improvements to HKFRSs	*2014-2016 Cycle* [2]
Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions* [3]
HKFRS 15	*Revenue from Contracts with Customers* [3]
HKFRS 9 (2014)	*Financial Instruments* [3]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts* [3]
HKFRS 16	*Leases* [4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [5]

1 Effective for annual periods beginning on or after 1 January 2017

2 Effective for annual periods beginning on or after 1 January 2017 or 2018 where applicable

3 Effective for annual periods beginning on or after 1 January 2018

4 Effective for annual periods beginning on or after 1 January 2019

5 The effective date of the amendments which was originally intended to be effective for annual periods beginning on or after 1 January 2016 has been deferred/removed

The directors of the Company are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

Preliminary announcement of audited annual results

The financial information relating to the years ended 31 December 2016 and 2015 included in this preliminary announcement of 2016 annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the financial statements for the year ended 31 December 2016 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; included a reference to matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

3. OPERATING SEGMENT INFORMATION

The Group has single reportable segment based on the location of the operations, which is the property development and investment located in the People's Republic of China (the "PRC"). Information reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about a major customer

Rental income of approximately HK$1,420,000 (2015: HK$1,495,000) was derived from the Group's largest customer.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue earned represents the income from the sales of properties, gross rental income and property management income during the year.

An analysis of revenue, other income and gains is as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue:		
Sales of properties	**30,453**	9,590
Gross rental income	**1,910**	2,055
Property management income	**733**	718
	33,096	12,363
Other income and gains:		
Bank interest income	**27**	28
Interest income from other receivables	**–**	99
Fair value gain on equity investments at fair value through profit or loss	**1**	57
Foreign exchange gain, net	**28,762**	14,150
Others	**2,379**	133
	31,169	14,467

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	HK$'000	*HK$'000*
Interest on an entrusted loan	**3,389**	5,204
Less: Interest capitalised under property held for sale under development	**(3,389)**	(5,204)
	–	–

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2016	2015
	HK$'000	*HK$'000*
Cost of properties sold	**28,060**	9,392
Depreciation	**2,602**	2,705
Minimum lease payments under operating leases on land and buildings	**3,854**	4,913
Auditor's remuneration	**912**	1,106
Staff costs (including directors' remuneration):		
Salaries and wages	**15,459**	10,755
Equity-settled share option expenses, net	**–**	57
Pension scheme contributions	**1,671**	1,247
	17,130	12,059
Direct operating expenses arising from investment properties that generated rental income	**275**	355
Loss on disposal of property, plant and equipment	**59**	110
Fair value gain on investment properties	**–**	(6,728)
Foreign exchange gain, net	**(28,762)**	(14,150)

7. TAXATION

No provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes during the years ended 31 December 2016 and 2015. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdiction in which the Group operates.

PRC Enterprise Income Tax ("EIT") has been provided for the year based on the estimated assessable profits in accordance with the relevant tax laws applicable to the Group in the PRC. The statutory EIT tax rate in the PRC is 25% for the year (2015: 25%).

The PRC Land Appreciation Tax ("LAT") was provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

	2016	2015
	HK$'000	*HK$'000*
Deferred tax (credited)/charged to profit or loss	**(1,965)**	1,044
EIT in the PRC	**371**	–
LAT in the PRC	**614**	355
Total tax (credit)/expense for the year	**(980)**	1,399

8. DIVIDEND

The Board does not recommend the payment of any dividend for the years ended 31 December 2016 and 2015.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the following data:

	2016	2015
Loss for the year attributable to owners of the Company *(HK$ million)*	**3.49**	7.24
Weighted average number of ordinary shares *(Million)*	**3,312.7**	3,312.7
Basic and diluted loss per share *(HK cents per share)*	**0.11**	0.22

Diluted loss per share is same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during both years.

The Company's share options have no dilutive effect for the years ended 31 December 2016 and 2015 because the exercise prices of the Company's share options were higher than the average market price of the Company's shares for both years.

10. TRADE RECEIVABLES

Trade receivables represent sale proceeds in respect of sold properties and rental receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured. The carrying amounts of the trade receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**1,034**	494
31 to 60 days	**17**	20
61 to 90 days	**12**	16
Over 90 days	**182**	248
	1,245	778

The amounts of trade receivables that were past due but not impaired are the same as above ageing analysis of trade receivables.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Prepayments	**2,444**	995
Deposits paid	**297**	975
Other receivables	**9,096**	4,097
	11,837	6,067
Less: Provisions for impairment of other receivables	**(1,436)**	(1,535)
	10,401	4,532
Less: Non-current portion	**(102)**	(195)
	10,299	4,337

Prepayments, deposits and other receivables are non-interest-bearing, unsecured and repayable within one year, except for a balance of HK$2,145,000 (2015: nil) included in other receivables is interest-bearing at an interest rate in the corresponding period as published by the People's Bank of China.

12. TRADE PAYABLES

An ageing analysis of the trade creditors as at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**462**	78
31 to 60 days	**314**	7
61 to 90 days	**25**	7
Over 90 days	**19,493**	23,355
	20,294	23,447

13. OTHER PAYABLES AND ACCRUALS

	2016	2015
	HK$'000	*HK$'000*
Deposits received	**19,181**	1,484
Receipts in advance	**21,984**	15,385
Other payables and accruals	**35,181**	35,449
	76,346	52,318

Other payables are non-interest-bearing and have an average term of three months.

14. EVENTS OCCURRING AFTER THE REPORTING DATE

No significant event took place subsequent to 31 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2016, the Group recorded a turnover of approximately HK$33.10 million, representing an increase of approximately 167.7% as compared to the turnover of approximately HK$12.36 million for last year. The increase in turnover was mainly resulted from the increase in sales of properties.

Loss attributable to the owners of the Company was approximately HK$3.49 million for the year ended 31 December 2016, representing a decrease of approximately 51.8% as compared to the loss of approximately HK$7.24 million for last year. The decrease in loss was mainly attributable to the exchange gain arose from the translation of the Group's financial liabilities.

BUSINESS REVIEW

Property Development and Investment Business

The Gold Coast Project

The Company, through its indirect wholly-owned PRC subsidiary, owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort"). Gold Coast Resort is expected to be developed into a tourism property project, which will comprise various single-storey villas, five-star hotels and marina club facilities etc. The construction of Gold Coast Resort has commenced.

The Tanghai County Project

The Group has acquired 99.99% of equity interest of 唐山市曹妃甸區中泰信和房地產開發有限公司 (Tangshan Caofeidian Zhongtai Xinhe Real Estate Company Limited*) ("Tangshan Caofeidian") ("Tanghai Acquisition") in January 2013, the major asset of which consists of the right of use of 唐海縣七農場通港水庫內側2號及3號島 (Nos. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai Province*).

The Group has paid a total sum of approximately RMB92,490,000 (equivalent to approximately HK$116,250,000) as consideration of the Tanghai Acquisition. The vendors of Tangshan Caofeidian are subject to pay the PRC individual income tax derived from the transfer of the equity interest of Tangshan Caofeidian. As at the date of completion of the Tanghai

* *For identification purposes only*

Acquisition, such PRC individual income tax had not been settled. It was agreed by the vendors that they will not require the Company to pay the remaining portion of the consideration of RMB12,000,000 (equivalent to approximately HK$13,544,000) until the outstanding PRC individual income tax is settled by them.

The Group has appointed several external firms to conduct reconnaissance and began designing work. As at the date of this announcement, the Group is at the preliminary stage to plan and design the ecological leisure living area or resort area.

The Daya Bay Project

The Company, through its indirect wholly-owned PRC subsidiary, owns 東方新天地大廈 (Eastern New World Square*), which is a comprehensive property development project with a total gross floor area of approximately 69,171.7 sq.m. located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. The selling of the residential portion of Eastern New World Square has commenced in May 2013 and the revenue generated has contributed to the turnover of the Group for the year ended 31 December 2016.

The Shanwei Projects

On 16 October 2013, the Group completed the acquisition of Jin Bao Cheng Project and Hong Hai Bay Project through a wholly-owned subsidiary of the Company from Mr. Huang Shih Tsai, the chairman and executive director of the Company. The details of Jin Bao Cheng Project and Hong Hai Bay Project are set out as below:

(1) Jin Bao Cheng Project

Jin Bao Cheng Project contains two parcels of land located on 中國廣東省汕尾市區汕尾大道 (Shanwei Main Road, Shanwei City, Guangdong Province, the PRC*), with a total site area of approximately 50,656 sq.m. and three 12-storey close to completion residential blocks erected thereon, among which, (a) one parcel of land is located on at the vicinity of 汕尾大道香洲頭地段西側與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Xiangzhoutou Section and Honghai Main Road*), and (b) one parcel of land is located on at the vicinity of 汕尾大道荷包嶺段西側實力汽車修配廠後面與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Hebaoling Section, behind the Shili Car Repair Factory and Honghai Main Road*).

* *For identification purposes only*

It is the Board's current intention to develop Jin Bao Cheng Project into a residential and commercial complex. Pre-sales of phase 1 of the residential portion of Jin Bao Cheng Project are expected to commence in 2017.

The Group has entered into an operating service agreement (among others) with Starwood Asia Pacific Hotels & Resorts Pte. Ltd. in relation to the development and operation of Four Points By Sheraton Shanwei (汕尾大中華福朋喜來登酒店). It is currently expected that the major construction of the hotel will be completed by the end of 2017 and the estimated opening date is early 2020.

(2) Hong Hai Bay Project

Hong Hai Bay Project contains four parcels of land located at the vicinity of the junction of No. S241 Province Road and No. X141 County Road Shanwei City, Guangdong Province, the PRC with a total site area of approximately 273,534.2 sq.m., among which, (a) one parcel of land is located on 遮浪南澳旅遊區「湖仔山」東側 (the east of Wuzishan, Zhelang Nanao Tourist Area*), (b) one parcel of land is located on 遮浪街道宮前南澳路東 (Gongqian Nanao Road East, Zhelangjiedao*); and (c) two parcels of land are located on 遮浪街道南澳旅遊區灣灘坑 (Wantankeng, Zhelangjiedao Nanao Tourist Area*).

It is the Board's current intention to develop Hong Hai Bay Project into a tourist and entertainment complex with residential development with a total gross floor area of approximately 720,000 sq.m.. Development of Hong Hai Bay Project is expected to be completed by the second quarter of 2019 by stage.

The Heqing Project

On 16 December 2013, the Company and its wholly owned subsidiary, Great China Properties (Shanghai) Limited, entered into a cooperation agreement with Greenland Hong Kong Holdings Limited ("Greenland HK") and its subsidiaries, pursuant to which the parties to the cooperation agreement conditionally agree to jointly develop the two parcels of land located in Shanghai, the PRC (the "Land"), among which one parcel of land with boundaries East to land with Lot No. 13-02, West to Qingli Road, South to land with Lot No.13-02, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海浦東新區合慶鎮，四至

* *For identification purposes only*

範圍東至13-02地塊，西至上海市慶利路，南至13-02地塊，北至上海市環慶南路); and (b) one parcel of land with boundaries East to land with Lot No. 14-03, West to Lingyang Road, South to land with Lot No. 14-03, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海浦東新區合慶鎮，四至範圍東至14-03地塊，西至上海市淩楊路，南至14-03地塊，北至上海市環慶南路). The Land is intended to be used for commercial and office purposes.

On 10 January 2014, all the conditions precedent under the cooperation agreement had been satisfied and completion took place on the same date. Upon completion, each of the Company and Greenland HK holds a 50% stake in the project. The investment has been accounted for as interest in an associate using the equity method from the date of completion. Details please refer to the announcement of the Company dated 16 December 2013 and the circular of the Company dated 30 January 2014.

BUSINESS OUTLOOK

With the moderate recovery of the macro economy, increasing urbanization and growing per capita wealth of Chinese citizens, demand on mid to high-end commercial and tourism property development is likely to be driven up. The Group's business and future strategy will continue to be focusing on mid to high-end commercial and tourism property development and investment. Riding on its solid foundation of existing projects, the Group remains on the lookout for high quality and cost effective investment opportunities to enhance investment returns, as well as to gradually diversify its income source.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, bank balances and cash of the Group amounted to approximately HK$7.21 million (31 December 2015: HK$6.17 million). The Group's total current assets as at 31 December 2016 amounted to approximately HK$599.45 million, which comprised properties held for sale, trade receivables, prepayments, deposits and other receivables, equity investments, tax recoverable, cash and bank balances. The Group's total current liabilities as at 31 December 2016 amounted to approximately HK$716.95 million, which comprised trade payables, other payables and accruals, amounts due to related companies, amount due to substantial shareholders and tax payable.

As at 31 December 2016, the Group's gearing ratio, defined as total interest-bearing borrowings divided by total equity, was 0%.

CAPITAL COMMITMENT

As at 31 December 2016, the Group had a total capital commitment of approximately HK$275.43 million, contracted for but not provided for in the financial statements, which comprised (i) approximately HK$59.85 million in respect of the construction and development of property development projects and (ii) approximately HK$215.58 million in respect of the loan contributions payable to an associate.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group has given guarantees of approximately HK$4.00 million (31 December 2015: HK$4.70 million) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

CHARGES ON ASSETS

As at 31 December 2016, the Group had not charged any of its assets.

As at 31 December 2015, the Group had charged two pieces of land of Jin Bao Cheng Project worth HK$364.35 million as security for an entrusted loan.

EMOLUMENT POLICY

The emoluments of the employees of the Group are determined on the basis of their merit, qualification and competence. The management's remuneration proposals are reviewed and approved by the remuneration committee with reference to the Board's corporate goals and objectives. The emoluments of the directors and senior management of the Company are determined by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

As at 31 December 2016, the Group employed 157 employees (excluding directors) (31 December 2015: 123 employees) and the related staff costs amounted to approximately HK$15.24 million (31 December 2015: approximately HK$9.99 million). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the requirements of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of listed companies (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2016.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements as set out in Appendix 14 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company, namely Mr. Cheng Hong Kei (chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Group's final results for the year ended 31 December 2016 have been reviewed by the Audit Committee.

AGREEMENT OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's independent auditors, Mazars CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance agreement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 25 May 2017 to Wednesday, 31 May 2017, both days inclusive, during the period of closure no transfer of shares will be registered. In order to ascertain the right to attend the 2017 annual general meeting, all share certificates with completed transfer forms either overleap or separately must be lodged with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 24 May 2017.

By Order of the Board
Great China Properties Holdings Limited
Huang Shih Tsai
Chairman

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Huang Shih Tsai (Chairman) and Ms. Huang Wenxi (Chief Executive Officer), three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum.

Please also refer to the published version of this announcement on the Company's website http://www.greatchinaproperties.com.