

The board of directors (“the Board”) of Great China Holdings Limited (“the Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, “the Group”) for the six months ended 30 June 2005. The results have been reviewed by the Company’s audit committee.

The Group’s turnover for the six months ended 30 June 2005 was approximately HK\$948,555,000, representing a rise of about 76% from the same period in 2004. Net profit was approximately HK\$11,111,000, representing a drop of around 44% from the same period in 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

General Trading

The economy of China kept gaining grounds in the first half of 2005. The GDP for the second quarter was 9.5% better than that of 2004. Under such a growing economy, the demand for imported fishmeal remained strong, defying the effects of some negative factors such as excessive rainfall followed by floods in southern China and intermittent reported instances of foot and mouth disease.

For tapioca chips, the price stood relatively stable at a high level throughout the first half of 2005. As usual, the price of alcohol in China dropped seasonally after the Chinese New Year. Since a main use of tapioca chips is for the manufacture of alcohol, the two aforesaid factors combined made most importers in China cautious and consequently slowed down activities in the tapioca market. It should be worth mentioning that the Group achieved a 3-digit upsurge in its trading volume of tapioca chips in the first half of 2005.

Despite the strong growth in the Group’s turnover, the net profit nevertheless went down. The Group attributes this mainly to the hike in transportation cost. Sea freight was doubled in the first half of 2005 when compared with the same period in 2004. The volatility in freight remains a major challenge that the Group needs to tackle.

Property Investment in Hong Kong

After the expiry of the old tenancy, the Group rented out one of its investment properties to a new tenant during the first half of 2005. As expected, the Group achieved a double digit rise in rental when concluding the new tenancy.

As part of the effect of changes in accounting standards, the Group recorded a gain of around HK\$8,124,000 relating to the revaluation of the Group’s investment properties, which is included in “Other operating income, net” in the income statement. In addition, there is a share of revaluation loss in respect of the investment properties of the associated companies amounting to approximately HK\$6,708,000.

Property Investment in PRC

The Chinese central government continued to implement well-planned and result oriented macro economic measures. Towards the end of the first half of 2005, the property market in Shanghai experienced a significant shrinkage in the number of transactions, though the drop in prices was much less serious. The Group’s properties in Shanghai are all located inside the inner circle of the city, and hence are more resistant to the downturn.

The sales of most of the remaining apartment units on the lower floors of Merry Tower were completed in the first quarter of 2005. Interior decoration of the additional units on the upper floors has begun.

The Group also sold two apartment units in Shenzhen in the first quarter of 2005. These apartments were part of the consideration received for the disposal in 2004 of the Group’s interest in the Hainan Yangpu Economic Zone.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Prospects

The Group will begin operating its local tapioca chip distribution network in China in the second half of 2005. This is in line with the Group's long term strategy. The Group plans to utilize this added sale channel to enhance its participation in the tapioca chip market in China.

The property market in Hong Kong continues to be relatively active, especially in the sector of retail shops. The Group will renew or replace tenancy agreements for some of its investment properties in the second half of 2005. As most of the Group's investment properties are retail shops located at prime shopping districts, we are optimistic that all the new tenancies will be accompanied by a double digit rise in rental income.

In Shanghai, in view of the developments brought about by the macro economic measures, the Group now plans to market the additional units on the upper floors of Merry Tower in late 2005 or early 2006.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At a meeting held on 29 August 2005, the directors declared an interim dividend of HK\$0.01 per share (2004: HK\$0.01) payable on or about 30 September 2005 to the shareholders of the Company whose names are on the register of members on 16 September 2005.

The register of members of the Company will be closed from 14 September 2005 to 16 September 2005, both days inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Abacus Share Registrars Limited, at G/F BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, no later than 4:30 p.m. on 13 September 2005.

DIRECTORS' INTERESTS AND SHORT POSITIONS

At 30 June 2005, the interests and short positions of each director in the shares and underlying shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("the Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Director	Personal Interests	Family Interest	Corporate Interests	Other Interest	Total	% of Issued Share Capital
Mr Rustom Ming Yu HO	–	–	138,347,288*	–	138,347,288	52.87
Mr John Ming Tak HO	–	600,000	138,347,288*	–	138,947,288	53.10

* By virtue of the SFO, both Mr Rustom Ming Yu HO and Mr John Ming Tak HO are deemed to have interests in the 138,347,288 shares held by Fulcrest Limited, a company incorporated in Hong Kong and the ultimate holding company of which is controlled by Mr Rustom Ming Yu HO and Mr John Ming Tak HO. Interests in the same shares are also shown under the section headed "Substantial Shareholders' Interest and Short Positions" below.