GREAT CHINA HOLDINGS LIMITED
大中華集團有限公司

(Incorporated in Hong Kong with limited liabilities)

(Stock code: 141)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of Great China Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013 together with the corresponding comparative figures of last year. The Group's audited consolidated financial statements for the year ended 31 December 2013 have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Revenue	2	**1,523,808**	1,691,863
Cost of sales		**(1,433,906)**	(1,537,789)
Gross profit		**89,902**	154,074
Other income	4	**37,756**	26,441
Distribution costs		**(25,937)**	(48,583)
Administrative expenses		**(39,476)**	(44,897)
Increase in fair value of investment properties		**3,176**	19,171
Change in fair value of financial assets at fair value through profit or loss		**(6,279)**	1,590
Change in fair value of derivative financial instruments		**6,760**	49
Reversal of impairment loss/(Impairment loss) on non-current assets		**5**	(3,041)
Gain on disposal of associates after deducting direct expenses and tax	12	**—**	95,462
Share of results of associates	12	**—**	107,382
Finance costs	5	**(7,290)**	(14,799)
Profit before income tax	6	**58,617**	292,849
Income tax expense	7	**(2,916)**	(4,692)
Profit for the year attributable to owners of the Company		**55,701**	288,157
		HK cents	HK cents
Earnings per share	8		
— Basic		**21.29**	110.12
— Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Profit for the year		**55,701**	288,157
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange difference arising from			
— translation of foreign operations		**14,428**	5,832
— reclassification as a result of disposal of associates	*12*	**—**	(21,540)
Increase/(Decrease) in fair value of available-for-sale financial assets		**120**	(400)
Other comprehensive income for the year		**14,548**	(16,108)
Total comprehensive income for the year attributable to owners of the Company		**70,249**	272,049

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	At 31 December 2013 HK$'000	At 31 December 2012 HK$'000
Non-current assets			
Investment properties		**972,262**	956,907
Property, plant and equipment		**50,227**	52,788
Prepaid lease payments for land		**267**	271
Other receivables	*10*	**—**	16,175
Available-for-sale financial assets		**11,202**	11,077
Restricted bank deposit		**17,265**	—
Deferred tax assets		**161**	—
		1,051,384	1,037,218
Current assets			
Properties held for sale		**20,104**	19,322
Inventories		**32,234**	146,199
Prepaid lease payments for land		**4**	4
Trade and other receivables, prepayments and deposits	*10*	**286,761**	307,809
Financial assets at fair value through profit or loss		**99,209**	13,648
Tax recoverable		**117**	295
Derivative financial assets		**4,957**	152
Restricted bank deposit		**—**	16,789
Pledged bank deposits		**—**	92,449
Structured bank deposits		**282,637**	375,667
Bank balances and cash		**202,253**	333,728
		928,276	1,306,062

	Notes	At 31 December 2013 HK$'000	At 31 December 2012 HK$'000
Current liabilities			
Trade and bills payables	*11*	**186,781**	318,352
Other payables and accrued expenses		**94,442**	104,569
Rental deposits received		**2,323**	3,082
Borrowings		**34,650**	279,594
Derivative financial liabilities		**—**	3,051
Tax payable		**769**	1,296
		318,965	709,944
Net current assets		**609,311**	596,118
Total assets less current liabilities		**1,660,695**	1,633,336
Non-current liabilities			
Rental deposits received		**7,053**	4,831
Borrowings		**136,409**	158,396
Deferred tax liabilities		**56,119**	53,076
		199,581	216,303
Net assets		**1,461,114**	1,417,033
Capital and reserves			
Share capital		**52,337**	52,337
Reserves		**1,408,777**	1,364,696
Total equity		**1,461,114**	1,417,033

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Share capital *HK$'000*	Share premium *HK$'000*	Exchange reserve *HK$'000*	Properties revaluation reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1 January 2012	52,337	19,516	141,013	495	1,270	932,970	1,147,601
Profit for the year	—	—	—	—	—	288,157	288,157
Exchange difference arising from							
— translation of foreign operations	—	—	5,832	—	—	—	5,832
— reclassification as a result of disposal of associates *(note 12)*	—	—	(21,540)	—	—	—	(21,540)
Decrease in fair value of available-for-sale financial assets	—	—	—	—	(400)	—	(400)
Other comprehensive income for the year	—	—	(15,708)	—	(400)	—	(16,108)
Total comprehensive income for the year	—	—	(15,708)	—	(400)	288,157	272,049
Transactions with owners:							
2011 final dividend paid *(note 9)*	—	—	—	—	—	(2,617)	(2,617)
At 31 December 2012 and 1 January 2013	52,337	19,516	125,305	495	870	1,218,510	1,417,033
Profit for the year	—	—	—	—	—	55,701	55,701
Exchange difference arising from translation of foreign operations	—	—	14,428	—	—	—	14,428
Increase in fair value of available-for-sale financial assets	—	—	—	—	120	—	120
Other comprehensive income for the year	—	—	14,428	—	120	—	14,548
Total comprehensive income for the year	—	—	14,428	—	120	55,701	70,249
Transactions with owners:							
2012 final dividends paid *(note 9)*	—	—	—	—	—	(26,168)	(26,168)
At 31 December 2013	**52,337**	**19,516**	**139,733**	**495**	**990**	**1,248,043**	**1,461,114**

1 ADOPTION OF NEW OR REVISED HKFRSs

(a) Adoption of new or revised HKFRSs — effective 1 January 2013

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2013:

HKFRSs (Amendments)	Annual Improvements 2009–2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures

HKFRSs (Amendments) Annual Improvements 2010–2012 Cycle

The Basis of Conclusions for HKFRS 13 *Fair Value Measurement* was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

Amendments to HKAS 1 (Revised) Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 December 2013. Items of other comprehensive income that may and may not be reclassified to profit or loss in the future have been presented separately in the consolidated statement of comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

Amendments to HKFRS 7 Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013. Accordingly, this new accounting policy does not have any material impact on the financial position and the performance of the Group.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

The adoption of HKFRS 12 has no material impact of the Group's financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 *Financial Instruments: Disclosures*. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

(b) New or revised HKFRSs that have been issued but not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9	Financial Instruments
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting
Amendments to HKAS 36	Recoverable Amount Disclosures[1]
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKFRS 9 Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 9, HKFRS 7 and HKAS 39 Hedge Accounting

The amendments overhaul hedge accounting to allow entities to better reflect their risk management activities in financial statements. Changes included in HKFRS 9 to address the own credit risk issue on financial liabilities designated at fair value through profit or loss can be applied in isolation without the need to change any other accounting for financial instruments. The amendments also remove the 1 January 2015 effective date for HKFRS 9.

Amendments to HKAS 36 Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs. The directors of the Company do not anticipate that these new or revised HKFRSs will have any material impact on the Group's financial statements.

2. REVENUE

Revenue, which is also the turnover of the Group, represents net invoiced value of fishmeal sold, rental income derived from investment properties and value of services rendered. Revenue recognised during the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Sales of goods	**1,486,968**	1,655,331
Rental income from investment properties	**36,840**	36,161
Agency fee income	**—**	371
	1,523,808	1,691,863

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision-maker, for the purpose of resource allocation and assessment of segment performance focuses on the operating divisions of the Group.

The Group has identified the following reportable segments for its operating segments. These segments are managed separately as each business offers different products and services and requires different business strategies.

1. General trading — trading of fishmeal

2. Property investment in Hong Kong — leasing of properties situated in Hong Kong

3. Property investment in the PRC — leasing of properties situated in the PRC (other than Hong Kong) and provision for agency services (part of the business was carried out through associates during last year)

4. Trading of properties — sale of properties situated in the PRC

The accounting policies of the reportable segments are the same as the Group's accounting policies. There were no inter-segment sales between different operating segments for the year ended 31 December 2013 (2012: nil). Segment revenue represents sales revenue from external customers. Segment profit or loss after tax represents net profit earned or loss incurred by each reportable segment without allocation of income and expenses of the Group's head office, including change in fair value of financial assets at fair value through profit or loss, reversal of impairment loss/impairment loss on available-for-sale financial assets, corporate income and expenses, unallocated finance costs and unallocated income tax credit or expense.

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than the Group head office's corporate assets; and

- all liabilities are allocated to reportable segments other than the Group head office's corporate liabilities.

Information regarding the above segments is reported below.

Segment revenue and results

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

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Consolidated *HK$'000*
For the year ended 31 December 2013					
Reportable segment revenue	**1,486,968**	**15,366**	**21,474**	**—**	**1,523,808**
Reportable segment profit after tax	**41,417**	**14,480**	**14,613**	**—**	**70,510**
Change in fair value of financial assets at fair value through profit or loss					**(6,279)**
Reversal of impairment loss on available-for-sale financial assets					**5**
Corporate income and expenses					**(7,871)**
Unallocated finance costs					**(673)**
Unallocated income tax credit					**9**
Profit for the year					**55,701**

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Consolidated *HK$'000*
For the year ended 31 December 2012					
Reportable segment revenue	1,655,331	15,347	21,185	—	1,691,863
Reportable segment profit after tax	58,621	23,805	219,047	—	301,473
Change in fair value of financial assets at fair value through profit or loss					1,590
Impairment loss on available-for-sale financial assets					(41)
Corporate income and expenses					(14,514)
Unallocated finance costs					(384)
Unallocated income tax credit					33
Profit for the year					288,157

Segment assets and liabilities

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Total *HK$'000*
At 31 December 2013					
Reportable segment assets	**620,953**	**573,321**	**480,658**	**20,104**	**1,695,036**
Available-for-sale financial assets					**11,202**
Financial assets at fair value through profit or loss					**99,209**
Corporate assets					**174,213**
Consolidated assets					**1,979,660**
Reportable segment liabilities	**263,896**	**90,469**	**129,282**	**—**	**483,647**
Corporate liabilities					**34,899**
Consolidated liabilities					**518,546**

	General trading *HK$'000*	Property investment in Hong Kong *HK$'000*	Property investment in the PRC *HK$'000*	Trading of properties *HK$'000*	Total *HK$'000*
At 31 December 2012					
Reportable segment assets	1,019,331	529,923	459,056	19,322	2,027,632
Available-for-sale financial assets					11,077
Financial assets at fair value through profit or loss					13,648
Corporate assets					290,923
Consolidated assets					2,343,280
Reportable segment liabilities	673,038	97,918	127,282	—	898,238
Corporate liabilities					28,009
Consolidated liabilities					926,247

Other segment information

	General trading HK$'000	Property investment in Hong Kong HK$'000	Property investment in the PRC HK$'000	Trading of properties HK$'000	Corporate/ Unallocated HK$'000	Consolidated HK$'000
For the year ended 31 December 2013						
Additions to specified non-current assets *(note)*	**354**	**—**	**53**	**—**	**—**	**407**
Amortisation of prepaid lease payments for land	**—**	**—**	**4**	**—**	**—**	**4**
Depreciation of property, plant and equipment	**433**	**—**	**880**	**—**	**1,743**	**3,056**
Fair value gain on investment properties	**—**	**2,040**	**1,136**	**—**	**—**	**3,176**
Fair value gain on derivative financial instruments	**1,803**	**—**	**—**	**—**	**4,957**	**6,760**
Reversal of allowance for doubtful debts	**—**	**—**	**45**	**—**	**—**	**45**
Bad debt written off	**412**	**—**	**—**	**—**	**—**	**412**
Exchange (gain)/loss, net	**(11,330)**	**8**	**449**	**—**	**1,125**	**(9,748)**
Interest income	**20,226**	**—**	**13**	**—**	**2,463**	**22,702**
Interest expense	**5,049**	**1,568**	**—**	**—**	**673**	**7,290**
Income tax (credit)/expense	**(49)**	**479**	**2,495**	**—**	**(9)**	**2,916**

	General trading HK$'000	Property investment in Hong Kong HK$'000	Property investment in the PRC HK$'000	Trading of properties HK$'000	Corporate/ Unallocated HK$'000	Consolidated HK$'000
For the year ended 31 December 2012						
Additions to specified non-current assets *(note)*	100	—	298	—	5,095	5,493
Amortisation of prepaid lease payments for land	—	—	4	—	—	4
Depreciation of property, plant and equipment	468	1	940	—	993	2,402
Fair value gain on investment properties	—	12,070	7,101	—	—	19,171
Fair value gain on derivative financial instruments	49	—	—	—	—	49
Impairment loss on goodwill	3,000	—	—	—	—	3,000
Allowance for doubtful debts	3,479	—	94	—	—	3,573
Reversal of allowance for inventories	3,869	—	—	—	—	3,869
Gain on disposal of associates after deducting direct expenses and tax	—	—	95,462	—	—	95,462
Share of profit of associates	—	—	107,382	—	—	107,382
Exchange loss/(gain), net	3,495	16	(1,412)	—	364	2,463
Interest income	24,627	—	24	—	202	24,853
Interest expense	12,483	1,778	154	—	384	14,799
Income tax expense/(credit)	40	957	3,728	—	(33)	4,692

Note: Specified non-current assets excluded financial instruments and deferred tax assets.

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue by location of customers and information about its specified non-current assets by geographical location of the assets are detailed below:

	Revenue		**Specified non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**15,366**	15,347	**576,741**	575,974
Other regions in the PRC	**1,508,442**	1,676,516	**446,015**	433,992
	1,523,808	1,691,863	**1,022,756**	1,009,966

Information about major customers

For the years ended 31 December 2013 and 2012, no customer has contributed 10% or more of the Group's total revenue.

4. OTHER INCOME

	2013 *HK$'000*	2012 *HK$'000*
Interest income on		
— bank balances and trade receivables measured at amortised cost	**21,153**	24,853
— debt securities measured at fair value through profit or loss	**1,549**	—
	22,702	24,853
Dividend income from listed equity securities	**105**	—
Exchange gain, net	**9,748**	—
Gain on disposal of property, plant and equipment	**25**	—
Sundry	**5,176**	1,588
	37,756	26,441

5. FINANCE COSTS

	2013 *HK$'000*	2012 *HK$'000*
Interest on borrowings		
— wholly repayable within five years	**4,811**	11,993
— not wholly repayable within five years	**2,479**	2,806
	7,290	14,799

6. PROFIT BEFORE INCOME TAX

	2013 *HK$'000*	2012 *HK$'000*
Profit before income tax has been arrived at after charging/(crediting):		
Auditor's remuneration	**850**	850
Amortisation of prepaid lease payments for land	**4**	4
Depreciation of property, plant and equipment	**3,056**	2,402
Cost of inventories recognised as an expense	**1,429,951**	1,537,789
Exchange (gain)/loss, net	**(9,748)**	2,463
(Reversal of allowance)/Allowance for doubtful debts	**(45)**	3,573
Bad debt written off	**412**	—
Reversal of allowance for inventories	**—**	(3,869)
(Reversal of impairment loss)/Impairment loss on non-current assets		
— Goodwill	**—**	3,000
— Available-for-sale financial assets	**(5)**	41
Staff costs including directors' emoluments *(notes (a) and (b))*	**28,455**	27,377
Gross rental income from investment properties	**(36,840)**	(36,161)
Less: Outgoings	**2,937**	4,328
Net rental income from investment properties	**(33,903)**	(31,833)

Notes:

(a) Staff costs (including directors' emoluments) comprise:

	2013	2012
	HK$'000	*HK$'000*
Salaries, allowances and other benefits	**27,102**	27,146
Retirement fund contributions — defined contribution retirement plans	**1,353**	231
	28,455	27,377

(b) Operating lease charges in respect of the Group's staff quarters of HK$1,406,000 (2012: HK$1,356,000) are included in staff costs.

7. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Income tax expense comprises:		
Hong Kong profits tax		
Current tax for the year	**288**	408
(Over)/Under-provision in prior years	**(312)**	71
	(24)	479
Other jurisdictions		
Current tax for the year	**1,512**	1,705
Under-provision in prior years	**29**	38
	1,541	1,743
Deferred tax	**1,399**	2,470
Income tax expense	**2,916**	4,692

Hong Kong profits tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the year.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Enterprise Income Tax arising from certain Hong Kong subsidiaries' operations in the PRC is calculated at tax rate of 10% (2012: 10%) on the estimated assessable income for the year.

8. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to the owners of the Company are based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**55,701**	288,157

	Number of shares	
	2013	2012
Weighted average number of ordinary shares in issue during the year	**261,684,910**	261,684,910

No diluted earnings per share is presented for the years ended 31 December 2013 and 2012 as there were no potential dilutive ordinary shares in issue in both years.

9. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Proposed final dividend for the year of HK$0.1 (2012: HK$0.1) per ordinary share	**26,168**	26,168

The final dividend of HK$0.1 (2012: HK$0.1) per ordinary share amounting to HK$26,168,000 (2012: HK$26,168,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

	2013	2012
	HK$'000	*HK$'000*
Final dividend in respect of previous financial year, approved and paid during the year of HK$0.1 (2012: HK$0.01) per ordinary share	**26,168**	2,617

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2013	2012
	HK$'000	*HK$'000*
Trade and bills receivables, net	**243,694**	268,876
Prepayments, deposits and other receivables, net	**43,067**	55,108
	286,761	323,984
Less: Trade and other receivables, prepayments and deposits recoverable within one year classified as current assets	**(286,761)**	(307,809)
Other receivables recoverable after one year classified as non-current assets	**—**	16,175

The ageing analysis of trade and bills receivables (net of allowance for doubtful debts), based on invoice dates, as of the end of the reporting period is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**211,857**	27,090
31 – 60 days	**65**	22,240
61 – 90 days	**65**	919
91 – 120 days	**19**	57,009
Over 120 days	**31,688**	161,618
	243,694	268,876

The ageing of trade and bills receivables which are past due but not impaired are as follows:

	2013	2012
	HK$'000	*HK$'000*
Less than 30 days past due	**65**	—
31 to 60 days past due	**65**	—
61 to 90 days past due	**65**	—
91 to 120 days past due	**19**	—
Over 120 days past due	**31,688**	30,774
	31,902	30,774

Notes:

(a) The Group's bills receivables are on sight letter of credit, usance letter of credit up to a tenor of 180 days (2012: 365 days) and bank's acceptance bills up to a tenor of 30 to 60 days (2012: 30 to 60 days). For other trade receivables, the Group allows a credit period ranging from 30 to 90 days (2012: 30 to 90 days). Before accepting any new customer, the Group carries out research on the creditability of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year.

(b) During the year ended 31 December 2012, the Group discounted certain of its bills receivables with full recourse to financial institutions. In the event the discounted bills receivables were defaulted, the Group was obliged to pay the financial institutions the amount in default. Interest was charged at 3% per annum on the proceeds received from the financial institutions until the date of settlement of the bills receivables. The discounting transactions did not meet the requirements in HKAS 39 for de-recognition of financial assets as the Group retained substantially all of the risks and rewards of ownership of the discounted bills receivables. At 31 December 2012, bills receivables of HK$187,796,000 continued to be recognised in the Group's financial statements even though they had legally been transferred to the financial institutions. The proceeds of the discounting transactions of HK$187,796,000 were included in borrowings as asset-backed financing until the bills receivables were collected or the Group settled any losses suffered by the financial institutions. Because the bills receivables had been transferred to the financial institutions legally, the Group did not have the authority to determine the disposition of the bills receivables.

None of the Group's bills receivables as at 31 December 2013 have been discounted to the financial institutions.

(c) Included in trade receivables and other receivables as at 31 December 2013 are gross carrying amounts of HK$33,575,000 (2012: HK$32,648,000) and HK$13,543,000 (2012: HK$13,169,000) respectively, due from a customer, Guangzhou Jinhe Feed Company Limited ("Jinhe"). These receivables are past due as at the reporting date and impairment loss amounting to HK$2,704,000 (2012: HK$2,630,000) in aggregate has been provided for these balances. The Group holds a guarantee from Mr. Wang Xianning (the "Guarantor") who pledged all his rights and interests in a property investment project (the "Collateral") to secure the receivables from Jinhe.

The Group has commenced legal proceedings against Jinhe, the Guarantor and Mr. Wong Hiuman (who shares joint and several liabilities over the payment obligation of Jinhe under the fishmeal trading contracts).

On 29 March 2011, the Shanghai No. 2 Intermediate People's Court (the "Shanghai Court") accepted the Group's writ application against Jinhe (as first defendant), together with Mr. Wong Hiuman (as second defendant who shares joint and several liabilities over the payment obligation of Jinhe under the fishmeal trading contracts) and the Guarantor (as third defendant) (collectively referred to as the "Defendants").

On 31 March 2011, the Group obtained an assets preservation order (the "First Order") from the Shanghai Court to seal up certain assets, including the Collateral, of the Defendants. The Group has paid RMB5,536,000 (equivalent to approximately HK$6,832,000) to the Shanghai Court and sealed up certain buildings, land use rights and properties held for sale with carrying amounts of HK$2,659,000, HK$279,000 and HK$1,356,000 respectively as guarantee for the application of the First Order.

On 13 November 2011, the Group withdrew the writ application against the Guarantor from the Shanghai Court and made an arbitration application to the China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission (the "Arbitration Commission") against the Guarantor. The Group sought for judgment from the Arbitration Commission to request the Guarantor to reimburse the Group for amounts due from Jinhe. On the same date, the Collateral was released from the First Order.

On 28 November 2011, the Group, through the application to the Arbitration Commission, obtained an assets preservation order (the "Second Order") from the Heyuan Intermediate People's Court (the "Heyuan Court") to seal up the Collateral pledged by the Guarantor. The Group is required to charge a time deposit amounting to RMB13,500,000, equivalent to approximately HK$17,265,000 (2012: HK$16,789,000), to the Heyuan Court as guarantee for the application of the Second Order.

On 1 December 2011 and 10 January 2012, hearings were held in the Shanghai Court in relation to the legal proceedings.

On 11 January 2012, the first hearing was held by the Arbitration Commission.

On 13 June 2012, the Shanghai Court released (i) the amount paid by the Group to it of RMB5,536,000; and (ii) certain properties held for sale which had been held by the Shanghai Court as guarantee for the application of the assets preservation order in respect of the Collateral which was granted by the Shanghai Court on 31 March 2011.

On 27 August 2012, the Higher's People's Court of Shanghai (the "Shanghai Higher Court") appointed an independent accounting firm to carry out judicial audit for the claims made by the Group against Jinhe. The judicial audit was completed during the year ended 31 December 2013.

On 28 June 2013, a hearing was held in the Shanghai Court. Another hearing was held in the Shanghai Court on 12 August 2013 and in the hearing, the findings of the judicial audit were presented.

On 24 October 2013, the Shanghai Court released a judgement and concluded the case. In summary, the Shanghai Court adjudged that Jinhe has to compensate the Group for the losses arising from price differences of reselling the inventories, the expenses paid by the Group on behalf of Jinhe as well as the import agency fee to the Group and that Mr. Wong Hiuman should have the responsibility to bear all the above compensation under his guarantee. However, the Shanghai Court did not agree with the Group's claims for overdue interest and legal and professional fees and suggested to limit such overdue interest to RMB5,000,000.

On 7 November 2013 and 27 November 2013 respectively, Jinhe and Mr. Wong Hiuman lodged appeal application to the Shanghai Higher Court. On 27 December 2013, the Shanghai Higher Court issued a summons to the Group to request the Group to have a discussion with the judge on 7 January 2014. On 5 March 2014, the Shanghai Higher Court issued a summons to notify the Group that a hearing will be held on 9 April 2014.

Based on the advice of the Group's legal counsel, the management is optimistic that the Group is able to recover the amounts due from Jinhe. However, having considered the time needed for the judiciary to handle the appeal application by Jinhe and Mr. Wong Hiuman, to come up with final decision and for the execution of orders, the management has discounted the receivable balances by two years using a pre-tax discount rate of 3% to reflect the time value of money. As a result of the discount, the carrying value of the trade and other receivables due from Jinhe as at 31 December 2013 are reduced by HK$1,927,000 (2012: HK$1,874,000) and HK$777,000 (2012: HK$756,000) respectively.

11. TRADE AND BILLS PAYABLES

The ageing analysis of trade and bills payables, based on invoice dates, as at the end of the reporting period is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**181,751**	108,933
31 – 60 days	**—**	20,367
61 – 90 days	**—**	—
91 – 120 days	**—**	57,695
Over 120 days	**5,030**	131,357
	186,781	318,352

In respect of trade payables, the average credit period is 30 days (2012: 30 days). As at 31 December 2012, a significant portion of the Group's bills payables were on usance letter of credit up to a tenor of 365 days. No interest is charged by the trade creditors. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12. DISPOSAL OF ASSOCIATES

On 11 July 2012, the Group entered into a sale and purchase agreement (the "Disposal Agreement") with an independent third party (the "Buyer") in relation to the disposal of 43% of the issued share capital of Samstrong International Limited ("Samstrong") at a selling price of approximately RMB365,500,000 (equivalent to approximately HK$450,429,000).

Before the disposal, Samstrong and the companies under Samstrong ("Samstrong Group") were associates of the Group in which the Group held 43% interests.

The selling price of RMB365,500,000 (equivalent to approximately HK$450,429,000) comprises of consideration for transferring the equity interests in Samstrong Group amounting to approximately RMB313,623,000 (equivalent to approximately HK$386,497,000) and consideration for assigning the loan to and amount due from an associate to the Buyer ("Debt Assignment") amounting to approximately RMB51,877,000 (equivalent to approximately HK$63,932,000). The disposal was completed in October 2012. The gain arising from the disposal after deducting direct expenses and tax was included as "Gain on disposal of associates after deducting direct expenses and tax" in the consolidated income statement for the year ended 31 December 2012 and was calculated as follows:

	2012
	HK$'000
Selling price pursuant to the Disposal Agreement	**450,429**
Less: Consideration for Debt Assignment	**(63,932)**
Consideration for transferring equity interests in Samstrong Group	**386,497**
Net carrying value of interests in associates disposed of	**(252,115)**
Reclassification from exchange reserve attributable to Samstrong Group	**21,540**
Gain on disposal	**155,922**
Less: expenses and tax directly related to the disposal	**(60,460)**
Gain on disposal after deducting direct expenses and tax	**95,462**

During the year ended 31 December 2012, Samstrong Group did not contribute any revenue but contributed net profit of HK$107,382,000 to the Group. The Group's share of results of Samstrong Group for the period from 1 January 2012 up to the date of disposal was HK$107,382,000, which mainly represented share of fair value gain on investment properties held by Samstrong Group.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP REVIEW

The Group recorded a total revenue of HK$1,524 million (2012: HK$1,692 million), which was 10% lower than that of the previous financial year. The decrease was mainly caused by the decline in revenue generated from general trading segment.

For the year ended 31 December 2013, profit attributable to owners of the Company was HK$56 million as compared to HK$288 million, representing a decrease of 81% compared to last year. In the year ended 31 December 2012, there were a one-off gain derived from the disposal of associated companies and sharing of results of the associated companies amounting to HK$202 million. There was no such contribution from the same items in the year ended 31 December 2013. Excluding these items, the Group's recurring profit attributable to owners of the Company was HK$56 million, a decrease 35% compared to last year's recurring profit of HK$86 million.

BUSINESS REVIEW

General Trading

For the year ended 31 December 2013, the revenue of general trading segment decreased to HK$1,487 million (2012: HK$1,655 million). Affected by the unexpected fishing quota reduction at the end of 2012, the supply of fishmeal in the first half of 2013 reduced and fishmeal product price climbed up dramatically. However, the Peruvian government had announced a normal fishing quota for the summer 2013, which relieved the tight supply of fishmeal, following which the fishmeal prices started softening during the second half of 2013. The fishmeal prices became stabilized when the Peruvian government had published the winter fishing quota. Moreover, the unfavorable weather conditions in China delayed the aquatic season and therefore the consumption of fishmeal reduced. Despite the weak market conditions, our strong team of traders managed to bring in a positive contribution to the Group.

The Group reacted to the volatile market by maintaining a conservative strategy to reduce the market risk. Despite that fishmeal product prices softened in the second quarter of 2013, the average selling price was still significantly higher than that of 2012. The drop in trading volume brought down the gross profit to HK$57 million (2012: HK$118 million) but this segment recorded a reasonable profit of HK$41 million for the year ended 31 December 2013 compared with HK$59 million in last year.

Property Investment in Hong Kong

For the year ended 31 December 2013, the rental income of the investment properties in Hong Kong was HK$15 million (2012: HK$15 million), which maintained at the same level as last year.

The investment properties were valued by an independent professional valuer and recorded fair value gain of investment properties of HK$2 million for 2013. This fair value gain and net rental income together have made a contribution of HK$14 million to the Group's profit for the year ended 31 December 2013.

Property Investment in Mainland China

For the year ended 31 December 2013, rental income from the investment properties in the PRC was HK$22 million (2012: HK$21 million), which was maintained at the same level as compared with last year.

The investment properties were valued by an independent professional valuer and recorded fair value gain of investment properties of HK$1 million for 2013. This fair value gain and net rental income together have made a contribution of HK$15 million to the Group's profit for the year ended 31 December 2013.

PROSPECTS

General Trading

The uncertainty of weather conditions and the fishing quota of the Peruvian government have significant impacts on our fishmeal trading business. Looking ahead, with our well established and strong trading team in the fishmeal business, barring unforeseen circumstances we are confident that we will achieve a positive contribution to the Group in the coming year.

Property Investment

The property market in Hong Kong is still softening due to unfavorable policies by the government. The economy of Mainland China maintains a healthy growth and the Group will act in a cautious manner and wait for opportunities to invest in properties in Hong Kong and Mainland China.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2013, the Group's gearing ratio was 9% (2012: 11%), based on the Group's long term bank borrowings of HK$136 million (2012: HK$158 million) and shareholders' equity of HK$1,461 million (2012: HK$1,417 million). The Group's current ratio was 2.91 (2012: 1.84), calculated on the basis of current assets of HK$928 million (2012: HK$1,306 million) over current liabilities of HK$319 million (2012: HK$710 million).

As at 31 December 2013, total restricted bank deposits, pledged bank deposits, structured bank deposits, bank balances and cash on hand were HK$502 million (2012: HK$819 million). Total bank borrowings of the Group amounted to HK$171 million (2012: HK$438 million), and there was no bank borrowings secured by bank deposit (2012: of which HK$258 million were secured with bank deposits of HK$260 million). The maturity profile of the Group's total borrowings falling within one year was 20% (2012: 64%) and more than one year was 80% (2012: 36%). Total borrowings included secured bank and other loans of HK$171 million (2012: HK$250 million) and there was no bills receivables discounted with full recourse (2012: HK$188 million). The Group's borrowings were denominated in United States dollars, Hong Kong dollars, Renminbi and Australian dollars (2012: United States dollars, Hong Kong dollars and Renminbi).

Charges on Assets

As at 31 December 2013, the Group has available but not yet utilized banking facilities amounting to around HK$1,981 million (2012: HK$1,838 million). The Group has pledged the following assets and assigned rental income from letting of properties in favour of banks to secure the aforesaid facilities:

- Investment properties of HK$808 million (2012: HK$799 million);
- Leasehold land and buildings of HK$42 million (2012: HK$42 million);
- Pledged bank deposits: Nil (2012: HK$92 million);
- Structured bank deposits: Nil (2012: HK$188 million);
- Bills receivables: Nil (2012: HK$188 million); and
- Financial assets at fair value through profit and loss of HK$90 million (2012: Nil).

Foreign Exchange Exposure

Transactions of the Group are predominantly denominated in United States dollars, Hong Kong dollars, Renminbi and Australian dollars. Review of the Group's exposure to foreign exchange risks is conducted periodically and derivative financial instruments may be used to hedge against foreign exchange risks as and when necessary.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2013, the total number of employees of the Group was 84 (2012: 84) with staff costs, excluding directors' remuneration, amounting to HK$16,096,000 (2012: HK$13,374,000). Remuneration policies are reviewed annually by the management. Remuneration packages are structured to take into account comparable levels in the market.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2013.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.1 per ordinary share for the year ended 31 December 2013 to shareholders whose names appear on the Company's register of members on Tuesday, 3 June 2014 (the "Proposed Final Dividend"). Subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on Wednesday, 21 May 2014 (the "2014 AGM"), the Proposed Final Dividend is expected to be paid on Monday, 16 June 2014.

CLOSURE OF REGISTER OF MEMBERS FOR 2014 AGM

For the purpose of determining the rights to attend and vote at the 2014 AGM, the register of members of the Company will be closed from Friday, 16 May 2014 to Wednesday, 21 May 2014 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be entitled to attend and vote at the 2014 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Union Registrars Limited, at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 15 May 2014.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The payment of the Proposed Final Dividend is subject to the approval of the shareholders at the 2014 AGM. For the purpose of determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from Thursday, 29 May 2014 to Tuesday, 3 June 2014 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be entitled to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Union Registrars Limited, at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 28 May 2014.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

AUDIT COMMITTEE

The audit committee, comprising all the three independent non-executive directors of the Company, has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2013 and discussed with the management of the Company the accounting principles and accounting standards adopted by the Group and matters relating to internal control and financial reporting of the Group.

CORPORATE GOVERNANCE

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the following deviation:

Code Provision A.6.7

This code provision stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One of the independent non-executive directors of the Company was unable to attend the Company's annual general meeting held on 21 May 2013 due to his other business engagement. The non-executive director and two of the independent non-executive directors of the Company were unable to attend the Company's extraordinary general meeting held on 23 December 2013 due to their other business engagement.

A full description of the Company's corporate governance will be set out in the Corporate Governance Report contained in the 2013 Annual Report of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' dealings in the Company's securities. Specific enquiry has been made of all the directors of the Company and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2013.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.greatchinaholdingsltd.com.hk. The 2013 Annual Report of the Company will be available at the websites of the Stock Exchange and the Company and be despatched to shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, bankers and other business associates for their trust and support.

On behalf of the Board
John Ming Tak HO
Managing Director

Hong Kong, 26 March 2014

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Rustom Ming Yu HO, Mr. John Ming Tak HO, Mr. Patrick Kwok Wai POON and Mr. Maung Tun MYINT; one non-executive director, namely, Ms. Yu Gia HO; and three independent non-executive directors, namely, Mr. Lawrence Kam Kee YU BBS, MBE, JP, Mr. David Hon To YU and Mr. Hsu Chou WU.