大中華實業控股有限公司*
GREATER CHINA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 431)

website: http://www.irasia.com/listco/hk/greaterchina/index.htm

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

SUMMARY OF RESULTS

The board of directors (the "Board") of Greater China Holdings Limited (the "Company") announced the audited financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014, together with the figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Revenue	*4*	**55,133**	32,963
Cost of sales		**(42,090)**	(21,544)
Gross profit		**13,043**	11,419
Other income	*5*	**2,582**	3,977
Other gains and losses		**1,516**	285
Selling and distribution costs		**–**	(659)
Administrative and other operating expenses		**(31,391)**	(29,416)
Finance costs	*6*	**(13,365)**	(15,731)
Loss before taxation		**(27,615)**	(30,125)
Income tax credit	*7*	**8,221**	–
Loss for the year		**(19,394)**	(30,125)
Other comprehensive (expense) income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(904)**	3,645
Release of translation reserve upon disposal of a subsidiary		**(960)**	–
		(1,864)	3,645
Total comprehensive expense for the year		**(21,258)**	(26,480)

* *For identification purposes only*

	Note	2014 HK$'000	2013 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(19,575)**	(30,045)
Non-controlling interests		**181**	(80)
		(19,394)	(30,125)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(21,438)**	(26,407)
Non-controlling interests		**180**	(73)
		(21,258)	(26,480)
		HK cents	*HK cents*
Loss per share			
Basic and diluted	*8*	**(6.53)**	(10.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**133,775**	145,103
Prepaid lease payments		**27,952**	97,092
Deposits for acquisition of land use rights		**–**	37,015
		161,727	279,210
Current assets			
Trade and other receivables	*9*	**2,803**	8,327
Prepaid lease payments		**799**	2,280
Prepayments and deposits		**672**	811
Pledged bank deposits		**–**	88,765
Bank balances and cash		**12,753**	9,106
		17,027	109,289
Assets classified as held for sale	*10*	**130,906**	–
		147,933	109,289
Current liabilities			
Trade payables	*11*	**–**	59
Other payables and accruals	*11*	**19,026**	18,928
Bank loans		**30,330**	173,092
Tax payables		**–**	8,258
		49,356	200,337
Liabilities directly associated with assets classified as held for sale	*10*	**109,135**	–
		158,491	200,337
Net current liabilities		**(10,558)**	(91,048)
Total assets less current liabilities		**151,169**	188,162
Non-current liability			
Bank loans		**41,704**	57,063
Net assets		**109,465**	131,099
Capital and reserves			
Share capital		**1,499**	1,499
Reserves		**107,966**	129,404
Equity attributable to owners of the Company		**109,465**	130,903
Non-controlling interests		**–**	196
Total equity		**109,465**	131,099

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent and ultimate holding company is Keenlead Holdings Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Ms. Ma Xiaoling, who is also the chairman and executive director of the Company. The address of the Company's registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is located at Rooms 1013 and 15, 10th Floor, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

The Group is principally engaged in investment holding, industrial property development and general trading included trading of metal materials, electronic products etc.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that:

- the Group's current liabilities exceeded its current assets by HK$10,558,000 as at 31 December 2014 and the Group incurred a loss of HK$19,394,000 and had net cash outflows from operating activities of HK$5,315,000 for the year ended 31 December 2014; and

- amongst the total bank borrowings of HK$72,034,000 as at 31 December 2014, bank borrowings of HK$30,330,000 as at 31 December 2014 are due for repayment within one year from 31 December 2014.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration of the followings:

(i) on 6 January 2015, the Group entered into sale and purchase agreements to dispose of the entire interests in Keycharm Investments Limited ("Keycharm") and Toobright Limited ("Toobright") at the cash considerations of RMB117,423,000 (approximately HK$146,778,000) and RMB19,577,000 (approximately HK$24,472,000) respectively. The aggregate considerations were fully received in early March 2015; and

(ii) on 9 January 2015, the Company entered into a placing agreement with the placing agent in relation to procure not less than six placee(s) who are independent third parties to subscribe up to 59,969,422 placing shares at a price of HK$2.00 per placing share. The completion took place on 27 January 2015 and 59,600,000 placing shares were allotted and issued. The aggregate net proceeds of the placing amounting to approximately HK$116,816,000, after deducting the expenses incurred in the placing, were received in January 2015.

In view of the foregoing and after having considered the validity of the Group's ability to generate operating profits and positive cash flows and to dispose of certain of its assets, the directors believe that the Group will have adequate financial resources for its working capital requirements for the ensuing year. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

3.1 New and revised HKFRSs affecting amounts reported and/or disclosures in the consolidated financial statements

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

The application of the above amendments to HKFRSs and new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.2 New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[4]
HKFRS 9	Financial Instruments[6]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]

[1] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
[3] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors of the Company anticipate that the application of these new and revised standards and amendments will have no material impact on the consolidated financial statements.

New Companies Ordinance

In addition, the requirements of Part 9, "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Group's first financial year commencing after 3 March 2014 (that is, the Group's financial year which began on 1 January 2015) in accordance with section 358 of the Hong Kong Companies Ordinance (Cap. 622). The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far, it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

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

	2014	2013
	HK$'000	*HK$'000*
Sales of goods	**42,158**	21,434
Warehouse storage income	**12,975**	11,529
	55,133	32,963

Business Segments

The Group's operations are organised into industrial property development and general trading. Information reported to the chief executive officer, the Group's chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group's reportable and operating segments comprise industrial property development and general trading.

– Industrial property development segment represents the operation of warehouse storage in Taicang city, the People's Republic of China (the "PRC").

– General trading segment includes trading of metal materials, electronic products etc. Currently, the Group's general trading activities are carried out in the PRC.

Segment revenues and results

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

For the year ended 31 December 2014

	Industrial property development	**General trading**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
SEGMENT REVENUE	**12,975**	**42,158**	**55,133**
SEGMENT RESULTS	**(17,766)**	**(3,679)**	**(21,445)**
Unallocated corporate expenses			**(10,357)**
Unallocated corporate income			**4,187**
Loss before taxation			**(27,615)**
Income tax credit			**8,221**
Loss for the year			**(19,394)**

For the year ended 31 December 2013

	Industrial property development *HK$'000*	General trading *HK$'000*	Total *HK$'000*
SEGMENT REVENUE	11,529	21,434	32,963
SEGMENT RESULTS	(20,061)	(2,636)	(22,697)
Unallocated corporate expenses			(7,428)
Loss before taxation			(30,125)
Income tax credit			–
Loss for the year			(30,125)

All of the segment revenue reported above is from external customers.

Segment result represents the post-tax loss of the subsidiaries engaged in the respective segment activities without allocation of some sundry income and central administrative costs which are not earned by or incurred by those subsidiaries. This is the measure reported to the Group's CODM for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

At 31 December 2014

	Industrial property development ***HK$'000***	**General trading** ***HK$'000***	**Total** ***HK$'000***
ASSETS			
Segment assets	**176,227**	**933**	**177,160**
Unallocated bank balances and cash			**985**
Unallocated property, plant and equipment			**172**
Unallocated other receivables, prepayments and deposits			**437**
Assets classified as held for sale			**130,906**
Consolidated total assets			**309,660**
LIABILITIES			
Segment liabilities	**66,507**	**17,692**	**84,199**
Unallocated other payables			**6,861**
Liabilities directly associated with assets classified as held for sale			**109,135**
Consolidated total liabilities			**200,195**

At 31 December 2013

	Industrial property development *HK$'000*	General trading *HK$'000*	Total *HK$'000*
ASSETS			
Segment assets	382,600	2,840	385,440
Unallocated bank balances and cash			2,349
Unallocated property, plant and equipment			240
Unallocated other receivables, prepayments and deposits			470
Consolidated total assets			388,499
LIABILITIES			
Segment liabilities	237,084	19,714	256,798
Unallocated other payables			602
Consolidated total liabilities			257,400

Other information

For the year ended 31 December 2014

	Industrial property development ***HK$'000***	**General trading** ***HK$'000***	**Unallocated** ***HK$'000***	**Consolidated** ***HK$'000***
Information included in segment results/segment assets:				
Amortisation and depreciation	**10,942**	**–**	**75**	**11,017**
Finance costs	**12,312**	**1,053**	**–**	**13,365**
Impairment loss on other receivables	**–**	**2,670**	**–**	**2,670**
Gain on disposal of a subsidiary	**(3,932)**	**–**	**–**	**(3,932)**
Interest income	**(2,195)**	**(7)**	**–**	**(2,202)**
Write back of other payable	**–**	**(59)**	**–**	**(59)**

For the year ended 31 December 2013

	Industrial property development HK$'000	General trading HK$'000	Unallocated HK$'000	Consolidated HK$'000
Information included in segment results/segment assets:				
Amortisation and depreciation	10,961	–	75	11,036
Finance costs	13,623	2,108	–	15,731
Gain on disposal of property, plant and equipment	(285)	–	–	(285)
Interest income	(2,913)	(1,057)	–	(3,970)

Geographical information

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

The Group's revenue from external customers based on the locations of operations and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	31.12.2014 ***HK$'000***	31.12.2013 *HK$'000*	**31.12.2014** ***HK$'000*** *(Note a)*	31.12.2013 *HK$'000*
Hong Kong	**–**	–	**172**	240
PRC	**55,133**	32,963	**161,555**	278,970
	55,133	32,963	**161,727**	279,210

Note:

(a) Non-current assets exclude those relating to assets classified as held for sale and disposal of a subsidiary.

Information about major customers

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

	31.12.2014	31.12.2013
	HK$'000	*HK$'000*
Customer A[1]	**42,158**	–
Customer B[1]	**–**	21,434
Customer C[2]	**–**	3,574
Customer D[2]	**10,562**	7,955

[1] Revenue from sale of goods.

[2] Revenue from warehouse storage income.

5. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Interest income	**2,202**	3,970
Sundry income	**380**	7
	2,582	3,977

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans and other borrowings wholly repayable within five years	**13,365**	15,731

7. INCOME TAX CREDIT

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the years ended 31 December 2014 and 2013.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits for the year (2013: Nil).

PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiary is 25%.

No provision for PRC EIT has been made for the year ended 31 December 2014 as the Company and its subsidiaries either not generate any assessable profits for the year or have available tax losses brought forward from prior years to offset against assessable profits generated during the year. No provision for the PRC EIT has been made for the year ended 31 December 2013 as the subsidiaries operated in the PRC had no assessable profits.

The directors of the Company are of the opinion that tax provision made in prior years amounting to HK$8,221,000 is unlikely to become payable. As such, such amount is written back for the year ended 31 December 2014.

The income tax credit for the year can be reconciled to the loss before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	HK$'000	*HK$'000*
Loss before taxation	**(27,615)**	(30,125)
Tax at PRC Enterprise Income Tax rate of 25% (2013: 25%) *(Note a)*	**(6,904)**	(7,531)
Tax effect of expenses not deductible for tax purpose	**1,614**	1,232
Tax effect of income not taxable for tax purpose	**(7,910)**	(2,187)
Over provision in prior years	**(8,221)**	–
Tax effect of tax losses not recognised as deferred tax asset	**10,144**	7,855
Utilisation of tax losses previously not recognised	**(11)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**3,067**	631
Income tax credit for the year	**(8,221)**	–

Note:

(a) The PRC EIT rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based.

At the end of reporting period, the Group has unused tax losses subject to the agreement of tax authorities of HK$364,827,000 (2013: HK$193,257,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of HK$73,398,000 (2013: HK$95,794,000) can be carried forward for a period of five years. Other unrecognised tax losses may be carried forward indefinitely.

8. LOSS PER SHARE

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

	2014	2013
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(19,575)**	(30,045)
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	**299,847**	299,847

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

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**1,203**	1,349
Less: impairment loss recognised	**–**	(179)
	1,203	1,170
Other receivables	**5,464**	12,829
Less: impairment loss recognised	**(3,864)**	(5,672)
	1,600	7,157
Total trade and other receivables	**2,803**	8,327

The Group allows an average credit period of 90 days to its trade customers and 30 days to its warehouse tenants. The following is an aged analysis of trade receivables net of impairment loss based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**1,203**	1,170
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**–**	–
	1,203	1,170

Before accepting any new customer, the Group assesses the credit quality of each potential customer. In addition, the Group reviewed the repayment history of receivables of each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable.

The Group has certain concentration risk on trade receivables as it has two (2013: two) customers with outstanding balances of approximately HK$1,203,000 (2013: HK$1,170,000) as at 31 December 2014.

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within 30 days are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

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

	2014	2013
	HK$'000	*HK$'000*
Balance at beginning of the year	**179**	175
Amounts written off during the year as uncollectible	**(179)**	–
Exchange realignment	**–**	4
Balance at end of the year	**–**	179

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

	2014	2013
	HK$'000	*HK$'000*
Balance at beginning of the year	**5,672**	5,514
Recognised during the year	**2,670**	–
Amounts written off during the year as uncollectible	**(4,456)**	–
Exchange realignment	**(22)**	158
Balance at end of the year	**3,864**	5,672

10. ASSETS CLASSIFIED AS HELD FOR SALE

	2014	2013
	HK$'000	*HK$'000*
Property, plant and equipment *(Note a)*	**1,128**	–
Prepaid lease payments *(Note a)*	**6,905**	–
Assets related to industrial properties development business *(Note b)*	**122,873**	–
	130,906	–
Receipt in advance *(Note a)*	**10,110**	–
Liabilities related to industrial properties development business *(Note b)*	**99,025**	–
	109,135	–

Notes:

(a) On 29 October 2014, the Group entered into a property sale and purchase agreement with an independent third party to dispose of the office building together with the land portion situated at Unit 508, Level 5, Block 2, Phase 1, Jinguanyuan, No. 16 Xinhua Lane, Xicheng District, Beijing, the PRC. At the end of the reporting period, the cash consideration of RMB8,000,000 (approximately HK$10,110,000) was received in advance. No impairment loss was recognised on reclassification of prepaid lease payments and property, plant and equipment as held for sale at 31 December 2014 as the directors of the Company expect that the fair value less costs to sell is higher than the carrying amount.

(b) On 14 January 2015, (i) Profit Capital Limited, a wholly-owned subsidiary of the Company, as vendor, Ping An Real Estate (Hongkong) Company Limited ("Purchaser A") as purchaser and the Company entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Keycharm, an indirectly wholly-owned subsidiary of the Company (the "Keycharm Agreement"), at a cash consideration of RMB117,423,000 (approximately HK$146,778,000); and (ii) the Company as vendor, Spring Asia Investment Limited ("Purchaser B") as purchaser and Purchaser A entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Toobright, a wholly-owned subsidiary of the Company (the "Toobright Agreement"), at a cash consideration of RMB19,577,000 (approximately HK$24,472,000).

Keycharm and Toobright and their subsidiary is engaged in construction of port infrastructure, development of petrochemical industry projects, production of petrochemical products and sale of such products. Subsequently, on 25 February 2015, the disposal was completed where all the conditions precedent under the Keycharm Agreement and the Toobright Agreement have been fulfilled.

The major classes of assets and liabilities of Keycharm and Toobright and their subsidiary classified as held for sale as at 31 December 2014 are as follows:

	2014
	HK$'000
Property, plant and equipment	**47**
Prepaid lease payments	**78,301**
Other receivables	**3,185**
Prepayments and deposits	**1**
Pledged bank deposits	**37,912**
Bank balances and cash	**3,427**
Assets classified as held for sale	**122,873**
Other payables	**4,244**
Bank loans	**94,781**
Liabilities directly associated with the assets classified as held for sale	**99,025**
Net assets directly associated with the disposal group	**23,848**

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**–**	59
Accrued expenses	**2,320**	2,371
Deposits received *(Note a)*	**11,183**	7,945
Other payables *(Note a)*	**5,523**	8,612
Total other payables and accruals	**19,026**	18,928
Total trade and other payables and accruals	**19,026**	18,987

Note:

(a) Included in deposits received are receipts in advance from customers and refundable deposits. Included in other payables are the amounts advance from the other creditors, which are unsecured, non-interest-bearing and are expected to be settled within one year.

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

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**–**	–
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**–**	59
	–	59

The average credit period on purchases of certain goods is 90 days.

12. EVENT AFTER THE REPORTING PERIOD

(i) On 29 October 2014, the Group entered into a property sale and purchase agreement with an independent third party to dispose of its office building together with the land portion in Beijing at a consideration of RMB8,000,000 (approximately HK$10,110,000). The consideration was fully received in December 2014. Such transaction has not been completed at the date of issuance of these consolidated financial statements.

(ii) Pursuant to the conditional sale and purchase agreement dated 20 November 2014 entered into between the Company, Rosy Start Investments Limited (the "Rosy Start"), Equity Partner Holdings Limited (the "Equity Partner"), Century Best Holdings Limited (the "Century Best") and Asiabiz Capital Investment Limited (the "Vendors") and Mr. Joseph Shie Jay Lang who is the sole legal and beneficial owner of the entire issued share capital of Rosy Start, Equity Partner and Century Best in respect of the acquisition of the entire issued shares capital of Oriental Credit Holdings Limited (the "Target Company").

The Target Company is the legal and beneficial owner of the entire registered capital of 上海佑勝投資咨詢有限公司 (the "Shanghai WFOE"), which in turn entered into a series of contractual arrangements between, among others, 上海新盛典當有限公司 (the "Shanghai OPCO"), Shanghai WFOE, and the registered shareholders of the Shanghai OPCO, 上海置鋒實業有限公司 and 上海快鹿投資(集團)有限公司 in September, November and December 2014. Through the contractual arrangements, the Shanghai WFOE has effective control over the financing and business operations of the Shanghai OPCO, and is entitled to the economic interest and benefits of the Shanghai OPCO. The Shanghai OPCO is engaged in pawnshop business in Shanghai, the PRC.

The contractual arrangements currently in effect comprise the following agreements, namely (a) the Exclusive Consulting Service Agreement (as supplemented by the supplemental agreement to the Exclusive Consulting Service Agreement and second supplemental agreement to Exclusive Consulting Service Agreement), (b) the Equity Pledge Agreement (as supplemented by the supplemental agreement to Equity Pledge Agreement), (c) the Exclusive Call Option Agreement (as supplemented by the supplemental agreement to Exclusive Call Option Agreement and second supplemental agreement to Exclusive Call Option Agreement), and (d) Authorization Agreement.

According to the conditional sale and purchase agreement, the Company has conditionally agreed to acquire the entire equity interest of Target Company for a total consideration of HK$150,000,000 (or up to HK$180,000,000 after adjustment). The total consideration of HK$150,000,000 will be settled by issuance of convertible notes to the Vendors according to the vendor shareholding ratio. A sum of HK$80,000,000 will be paid by way of issuance of the convertible notes to the Vendors at the 60th business day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2014. A sum of HK$35,000,000 will be paid by way of issuance of the convertible notes to the Vendors at the 60th business day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2015. A sum of HK$35,000,000 will be paid by way of issuance of the convertible notes to the Vendors at the 60th business day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2016. The initial consideration is subject to adjustment on the basis of performance targets of 2014, 2015 and 2016 according to the consolidated net profit after taxation of the Target Company and its subsidiaries and entities which are subject to the contractual arrangements.

All the conditions set out in the sale and purchase agreement have been fulfilled and completion of the acquisition took place on 21 January 2015 (the "Completion"). Following the Completion, the Target Company became a direct wholly-owned subsidiary of the Company.

(iii) On 9 January 2015, the Company entered into a placing agreement with the placing agent in relation to procure not less than six placee(s) who are independent third parties to subscribe up to 59,969,422 placing shares at a price of HK$2.00 per placing share. The completion took place on 27 January 2015 and 59,600,000 placing shares were allotted and issued. The aggregate net proceeds of the placing (after deducting the expenses incurred in the placing), were approximately HK$116,816,000, representing a net issue price of approximately HK$1.96 per placing share.

(iv) On 14 January 2015, (i) Profit Capital Limited, a wholly-owned subsidiary of the Company, as vendor, Purchaser A as purchaser and the Company entered into the Keycharm Agreement at a cash consideration of RMB117,423,000 (approximately HK$146,778,000); and (ii) the Company as vendor, Purchaser B as purchaser and Purchaser A entered into the Toobright Agreement at a cash consideration of RMB19,577,000 (approximately HK$24,472,000). Subsequently, on 25 February 2015, the disposal has been completed where all the conditions precedent under the Keycharm Agreement and the Toobright Agreement have been fulfilled.

(v) On 3 March 2015, Champion Well Limited (the "Champion Well"), an indirect wholly-owned subsidiary of the Company, as purchaser entered into a sale and purchase agreement with Hongkong Aoban Int'l Trading Limited (the "Hongkong Aoban") as vendor, pursuant to which Champion Well has conditionally agreed to acquire the 25% equity interest in Shanghai Rongyu Financial Leasing Company Limited (the "JV Company") for a consideration of RMB100,000 (approximately HK$125,000). JV Company is established as an equity joint venture for the provision of financial leasing service, operating leasing services, acquisition of leasing assets from the PRC and the overseas, salvage treatment and maintenance of financing assets and the provision of consultation and guarantee of leasing transactions. Upon the completion of this transaction, Champion Well will have 25% equity interests in JV Company.

The tripartite agreement entered into between Champion Well, Hongkong Aoban and 上海尤龍實業有限公司 (the "Shanghai Youlong") on the same date acknowledged its consent of this acquisition and unconditionally and irrevocably agreed to surrender its pre-emptive rights of the JV Company.

The amendment deed entered into between Champion Well and Shanghai Youlong on the same date in respect of the amendments of articles of association of the JV Company. Champion Well shall make the capital contribution in respect of its 25% equity interest in the JV Company in the amount of RMB52,500,000 (approximately HK$65,625,000) within one year from the date of the issuance of the new business licence of the JV Company by the relevant PRC government authority.

Such transaction has not been completed at the date of issuance of these consolidated financial statements.

EXTRACT OF THE AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's annual financial statements for the year ended 31 December 2014:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which indicates that the Group's current liabilities exceeded its current assets by HK$10,558,000 and the Group incurred a loss of HK$19,394,000 and had net cash outflow from operating activities of HK$5,315,000 for the year ended 31 December 2014. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As explained in note 2 to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: nil).

BUSINESS REVIEW

For the year ended 31 December 2014, turnover of the Group amounted to HK$55,133,000 (2013: HK$32,963,000) which comprised of revenue from general trading segment of HK$42,158,000 (2013: HK$21,434,000) and revenue from industrial property development segment of HK$12,975,000 (2013: HK$11,529,000).

The general trading operation was gradually resumed in the second half of 2014. However, due to the continued slow down of the economy in the PRC which led to a weak demand for raw materials, the Group has started trading of products such as projectors and the operation is still struggling to improve the overall profitability. As a result, a segment loss of HK$3,679,000 is incurred for the current year (2013: HK$2,636,000).

The industrial property development operation, on the other hand, remained stable with slight increase due to the annual upward adjustment in the rate during the year. Following the upward adjustment of the rental rate of the warehouse, the overall margin of the operation is improved which together with the reduction in finance cost during the year, contributed to the reduction in the segment loss from HK$20,061,000 for the year ended 31 December 2013 to a segment loss of HK$17,766,000 for the year ended 31 December 2014.

The loss for the year of the Group was reduced from HK$30,125,000 for the year ended 31 December 2013 to HK$19,394,000 for the year ended 31 December 2014.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2014, the Group has current ratio of approximately 0.93 (2013: 0.55) and the gearing ratio of the Group was 0.66 (2013: 1.76). The calculation of gearing ratio was based on the total borrowings of HK$72,034,000 (2013: HK$230,155,000) and the equity attributable to owners of HK$109,465,000 (2013: HK$130,903,000).

During the year, the Group has disposed of the office building situated in Beijing, the PRC and the proceeds have been used to reduce the bank borrowing partially. In addition, the Group also negotiated actively with the banks to revise the terms of the bank borrowing which all contributed to the improvement in the financial position of the Group.

There is no capital commitment in respect of the acquisition and construction of property, plant and equipment for the year (2013: HK$2,893,000).

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

PROSPECTS

For the industrial property development segment, the operation is expected to remain stable with gradual growth and the management will continue to look for opportunities to provide additional value-added services to the customers in order to broaden the income stream from the operation.

The business environment of the general trading is still slow with keen competition. The management will be very conscious in the development of the market environment with the aim to improve the profitability of the segment.

In January 2015, The Group has entered into agreements to dispose of the entire equity interests of two subsidiaries which together own a parcel of land with total site area of approximately 200,000 square meters in Taicang City, Jiangsu Province, the PRC at an aggregate amount of RMB137,000,000 (approximately HK$171,250,000). Details of the disposal is disclosed in the circular of the Company dated 26 January 2015. The disposal was completed in late February 2015.

A placing of 59,600,000 placing shares of the Company at HK$2.00 per share is also completed in January 2015, bringing in a net proceeds of approximately HK$116,816,000 to the Group.

As a result of the completion of the disposal of land and the placing of shares, the financial position of the Group has been positively improved which allows the Group to further reduce the debt position to a more healthy level and at the same time equipped the Group with sufficient financial resources to future expansion should potential investment projects exist.

During the year, the Company has entered into an agreement to acquire the entire interest of a group of companies which principally engaged in the pawnshop business in Shanghai, the PRC via the VIE contract arrangement at a consideration of HK$150,000,000 by way of issue of the convertible notes. Details of the transaction are disclosed in the circular of the Company dated 24 December 2014. The transaction was completed in January 2015 which marked the milestone of the Group to enter into the high growing quasi-financial industry in the PRC.

In March 2015, Champion Well (an indirect wholly owned subsidiary of the Company) entered into an agreement to acquire the 25% equity interest in a joint venture company (the "JV") in Shanghai, the PRC at a cash consideration of RMB100,000 (HK$125,000) and shall make the capital contribution in an amount of RMB52,500,000 (approximately HK$65,625,000) within one year from the date of the issuance of the new business licence by the relevant PRC government authority. The JV is principally engaged in financial leasing service and provision of consultation and guarantee of leasing transactions. The completion of the acquisition will be a solid foundation for the Company to establish a diversified and comprehensive quasi-financial platform which is a growth sector in the PRC.

The lack of financing conduits has been a major bottleneck that restricts the development of small and medium enterprises in the PRC over the past years. Recently, a new financing industry that is formed by a number of quasi-financial institutions has broadened the financing conduits of the small and medium enterprises. The quasi-financial sector is at the early development stage in the PRC which has an enormous room for development. In 2013, the penetration rate was only around 4% in the financial leasing industry in the economic sectors of the PRC, while in some developed countries the rate is around 30% to 40%. For pawnshop operations, the pawn loan industry advanced an aggregate of RMB369.21 billion of pawn loans in 2014, representing a year-on-year growth rate of 16.6%. We believe that the quasi-financial industry will become increasingly important in the PRC financing market in near future.

The year 2015 will be a year full of opportunities and challenges. The Group will continue to optimize its business structure, strengthen the management and control system, proactively explore innovation in the business models of quasi-financial sector to enhance the competitiveness of the Group and developmental strength and achieve long term sustainable growth.

CHARGES ON ASSETS

As at 31 December 2014, prepaid lease payments, warehouse and bank deposits with the aggregate carrying amounts of HK$107,052,000 (2013: HK$85,420,000), HK$133,469,000 (2013: HK$142,475,000) and HK$37,912,000 (2013: HK$88,765,000) respectively were pledged against bank loans.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2014.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group has approximately 30 employees. Remuneration is determined by reference to their respective qualifications and experience and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

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

CORPORATE GOVERNANCE

During the year under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, except for the following deviations:

– Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

  Ms. Ma Xiaoling ("Ms. Ma") is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conductive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Ms. Ma and believes that her appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all directors whether the directors have complied with the required standard set out in the Model Code regarding directors' securities transactions and all directors confirmed that they have complied with the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The audit committee of the Company currently comprises three independent non-executive directors, including Mr. Ching Men Ky, Carl ("Mr. Ching"), Mr. Lin Ruei Min ("Mr. Lin") and Mr. Shu Wa Tung, Laurence ("Mr. Shu"). The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2014.

REMUNERATION COMMITTEE

The Board has established a remuneration committee. The remuneration committee, currently comprising executive directors, Ms. Ma and Ms. Chan Siu Mun, and independent non-executive directors, Mr. Ching, Mr. Lin and Mr. Shu, is responsible for advising the Board on the remuneration policy and framework of the Company's directors and senior management members, as well as review and determine the remuneration of all executive directors and senior management members with reference to the Company's objectives from time to time.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, HLM CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on the preliminary announcement.

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

Hong Kong, 19 March 2015

As at the date of this announcement, the Board comprises Ms. Ma Xiaoling and Ms. Chan Siu Mun as executive directors, Mr. Joseph Shie Jay Lang and Mr. Chen Ningdi as non-executive directors; and Mr. Ching Men Ky, Carl, Mr. Lin Ruei-min and Mr. Shu Wa Tung, Laurence as independent non-executive directors.