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If you have sold or transferred all your shares in **Great China Holdings Limited** (the “**Company**”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser

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BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

A letter from the board of directors of the Company is set out on pages 4 to 10 to this circular and a letter from the independent board committee of the Company to the independent shareholders of the Company is set out on page 11 of this circular. A letter of advice from Bridge Partners Capital Limited to the independent board committee of the Company and the independent shareholders of the Company is set out on pages 12 to 18 of this circular.

A notice convening the extraordinary general meeting of Great China Holdings Limited to be held at Unit D, 26/F., United Centre, No. 95 Queensway, Hong Kong on Monday, 27 June 2011 at 10:00 a.m. is set out on pages 24 to 25 of this circular.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Animal Feed Products”	the products sold by the Group to COFCO Feed pursuant to the Previous Sales Transactions and the Sales Transactions under the Master Sales Agreement including fishmeal and tapioca chips
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bridge Partners” or “IFA”	Bridge Partners Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Previous Sales Transactions, the terms of the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“COFCO”	COFCO Corporation (中糧集團有限公司), a wholly state-owned company incorporated in the PRC in September 1952 and the holding company of each of COFCO Feed and COFCO Hong Kong
“COFCO Feed”	COFCO Feed Co., Ltd. (中糧飼料有限公司), a company established in the PRC with limited liability
“COFCO Hong Kong”	COFCO (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a substantial Shareholder
“Company”	Great China Holdings Limited (stock code: 141), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held at Unit D, 26/F., United Centre, No. 95 Queensway, Hong Kong on Monday, 27 June 2011 at 10:00 a.m. at which resolutions will be proposed to ratify the Previous Sales Transactions and to approve the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) by the Independent Shareholders
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Lawrence Kam Kee Yu, Mr. David Hon To Yu and Mr. Hsu Chou Wu
“Independent Shareholders”	Shareholders other than COFCO Hong Kong and its associates
“Latest Practicable Date”	31 May 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Sales Agreement”	the Master Sales Agreement dated 11 May 2011 entered into between the Company (for itself and on behalf of each of its subsidiaries which sells the Animal Feed Products to COFCO Feed in accordance with the terms of the Master Sales Agreement) and COFCO Feed in respect of the Sales Transactions
“PRC”	the People’s Republic of China
“Previous Sales Transactions”	the Sales Transactions entered into between the Group and COFCO Feed since late February 2011 and up to early April 2011
“Proposed Annual Caps”	the maximum aggregate annual value of the Sales Transactions under the Master Sales Agreement for the sales of the Animal Feed Products for the three years ending 31 December 2011, 2012 and 2013 respectively
“Sales Transactions”	the sales of the Animal Feed Products by the Group to COFCO Feed under the Master Sales Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the ordinary shares of HK\$0.2 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“US\$” United States dollar, the lawful currency of the United States of America

“%” per cent.

Unless otherwise states, exchange rate of US\$1 = HK\$7.8 is adopted in this circular, for illustration purposes only.

LETTER FROM THE BOARD



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

Executive Directors:

Mr. Rustom Ming Yu HO (*Chairman*)
Mr. John Ming Tak HO (*Managing Director*)
Mr. Patrick Kwok Wai POON
Mr. Maung Tun MYINT

Registered office and Head Office:

Unit D, 26/F
United Centre
No. 95 Queensway
Hong Kong

Non-executive Directors:

Ms. Daphne Yu Gia HO

Independent non-executive Directors:

Mr. Lawrence Kam Kee YU *BBS, MBE, JP*
Mr. David Hon To YU
Mr. Hsu Chou WU

1 June 2011

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

Reference is made to the announcement of the Company dated 11 May 2011 in relation to, among others, the Previous Sales Transactions and the continuing connected transactions contemplated under the Master Sales Agreement.

The purpose of this circular, to which this letter forms a part of, is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM regarding the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the Previous Sales Transactions, the terms of Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are fair and reasonable; and in the interests of the Company and the Shareholders as a whole.

Bridge Partners, an independent financial adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the Previous Sales Transactions, the terms of Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The EGM will be held to consider (i) ratifying the Previous Sales Transactions and (ii) approving the continuing connected transactions contemplated under the Master Sales Agreement and the Proposed Annual Caps.

2. THE MASTER SALES AGREEMENT

Date:

11 May 2011

Term:

With effect from the date of approval by the Independent Shareholders up to 31 December 2013

Parties:

- (i) the Company (for itself and on behalf of each of its subsidiaries which sells the Animal Feed Products to COFCO Feed in accordance with the terms of Master Sales Agreement), as seller; and
- (ii) COFCO Feed, as purchaser

Nature of transactions

Pursuant to the Master Sales Agreement, the Group agreed to sell and COFCO Feed agreed to purchase from the Group the Animal Feed Products (including fishmeal and tapioca chips) during the term of the Master Sales Agreement.

The Group and COFCO Feed agreed that the Sales Transactions shall be conducted on normal commercial terms in particular, (i) the Sales Transactions will be on terms no more favourable than terms available to other independent third parties; and (ii) the Sales Transactions will be in the ordinary and usual course of business of the Group and conducted after arm's length negotiations; and (iii) the annual consideration receivable by the Group under the Sales Transactions will not exceed the Proposed Annual Caps for the three years ending 31 December 2013.

LETTER FROM THE BOARD

Pricing basis

The pricing of the Animal Feed Products has been and will be, determined with reference to:

- (i) the price set by the PRC government (if any); or
- (ii) if no such price is set by the PRC government, such market price (per unit) of the Animal Feed Products as agreed upon between the parties after negotiations.

The Group has guaranteed and undertaken to COFCO Feed that the price of the Animal Feed Products sold by the Group to COFCO Feed pursuant to the Master Sales Agreement will not be higher than the price of the identical goods provided by the Group to other independent third parties and will be on normal commercial terms.

Payment terms

Details of the payment terms on each transaction shall be agreed upon between the Group and COFCO Feed separately on a fair and reasonable basis.

Conditions precedent

The Master Sales Agreement is conditional upon (i) the Company having complied with the requirements under the Listing Rules in connection with the Sales Transactions by issuance of an announcement and despatch of a circular to the Shareholders; and (ii) approval by the Independent Shareholders of the Master Sales Agreement and the Sales Transactions contemplated thereunder and the Proposed Annual Caps at the EGM.

Proposed Annual Caps

The Proposed Annual Caps for the Sales Transactions for the three financial years ending 31 December 2011, 2012 and 2013 respectively are set out as follows:-

Financial year ending	Proposed Annual Caps (HK\$)
31 December 2011	360,000,000
31 December 2012	415,000,000
31 December 2013	477,000,000

Basis of the Proposed Annual Caps

The Proposed Annual Cap for the year ending 30 December 2011 is determined with reference to (i) the actual amount of the Animal Feed Products purchased by COFCO Feed from late February to early April 2011, being approximately US\$13

LETTER FROM THE BOARD

million (equivalent to approximately HK\$101 million); and (ii) the estimated amount of the Sales Transactions from the date of approval by the Independent Shareholders at the EGM up to 31 December 2011.

The annual increment of the Proposed Annual Caps at approximately 15% from the previous year for the two years ending 31 December 2012 and 2013 respectively is estimated on a prudent basis with respect to the estimated increase in demand for the Animal Feed Products.

Reasons and Benefits of entering into of the Master Sales Agreement

The Company is an investment holding company and its subsidiaries are principally engaged in trading of animal feed (including fishmeal and tapioca chips), property investment and trading of properties. G.C. Luckmate Trading Limited, a wholly-owned subsidiary of the Group, has been engaging in trading of fishmeal products from various origins to the Far East for more than 20 years and is currently one of the largest fishmeal trading companies in Asia. “Luckmate” has developed into a strong and reputable brand, trusted by an array of well-established clientele.

COFCO Feed is principally engaged in import and export, domestic distribution and storage of feed products and processing and sales of compound, distilled and mixed feed products. COFCO Feed needs to import fishmeal products into the PRC through the Group by entering into the Master Sales Agreement. The Board considers that the Master Sales Agreement will facilitate the Group to establish a long-term and stable relationship with COFCO Feed which will in turn provide a secure source of revenue for the Group.

Based on the aforesaid and given that the Sales Transactions will continue to be conducted on a recurring basis, the Directors are of the view that the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are (i) negotiated on an arm’s length basis and on normal commercial terms; and (ii) fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

As no Director has a material interest in the Master Sales Agreement, none of the Directors has abstained from voting on the relevant board resolutions approving the Master Sales Agreement.

Listing Rules Implications

As at the Latest Practicable Date, COFCO Hong Kong is interested in 45,058,000 Shares, representing approximately 17.22% of the issued share capital of the Company and hence a connected person of the Company. Since COFCO Hong Kong and COFCO Feed are fellow subsidiaries of COFCO, COFCO Feed is an associate of COFCO Hong Kong and a connected person of the Company. The Sales Transactions contemplated under the Master Sales Agreement constitute continuing connected transactions of the Company under the Listing Rules.

LETTER FROM THE BOARD

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceed 5%, the Sales Transactions under the Master Sales Agreement are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. THE PREVIOUS SALES TRANSACTIONS

Prior to the entering into of the Master Sales Agreement, the Group conducted the transactions in the same nature as the Sales Transactions contemplated under the Master Sales Agreement between late February and early April 2011. The Previous Sales Transactions were conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

In late February 2011, the Group received the first purchase order (the "**First Purchase Order**") of the Animal Feed Products from COFCO Feed (as importer for another end-use purchaser). Since the First Purchase Order was issued in the name of the end-use purchaser, staff from the Group's trading department was not aware of the fact that a transaction pursuant to the First Purchase Order, if concluded, would constitute a continuing connected transaction of the Company. Subsequently, the Group received the second purchase order (the "**Second Purchase Order**") from COFCO Feed (as purchaser and in its own name) in the total amount of approximately US\$3.4 million (equivalent to approximately HK\$26.4 million). Due to the change of the key personnel responsible for reviewing and monitoring the Group's continuing connected transactions, the Company only became aware that the Previous Sales Transactions constituted non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules in the Company's monthly review of the Group's transactions with connected persons conducted in early April 2011. Between the period from late February and early April 2011, the Previous Sales Transactions amounted to approximately US\$13 million (equivalent to approximately HK\$101 million).

As soon as the Company was aware that the Previous Sales Transactions constituted non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules, the management of the Company took immediate actions, including but not limited to that (i) the Company engaged a Hong Kong legal counsel to draft relevant documentation (including but not limited to the Master Sales Agreement, announcement and circular) and the IFA to advise the Independent Board Committee and the Independent Shareholders on the Sales Transactions contemplated under the Master Sales Agreement; (ii) the Company sent the draft Master Sales Agreement to COFCO Feed for review in early April 2011; (iii) the Group has suspended in entering into any further transaction with COFCO Feed in respect of sales of the Animal Feed Products since early April 2011; and (iv) the Company is prepared to seek Independent Shareholders' approval and ratification on the Previous Sales Transactions at the EGM and will comply with all requirements under Chapter 14A of the Listing Rules in respect of the Sales Transactions with COFCO Feed as contemplated under the Master Sales Agreement.

LETTER FROM THE BOARD

During the negotiation process of the Master Sales Agreement with COFCO Feed, it took considerable turnaround time for the Company and COFCO Feed to review draft Master Sales Agreement. The Company eventually obtained the final approval from COFCO Feed on the Master Sales Agreement on 11 May 2011 and the parties executed the Master Sales Agreement on the same day.

Since the Previous Sales Transactions were conducted in the ordinary and usual course of business of the Group and such transactions did not in the Board's views constitute price-sensitive information of the Company, the Board considers that the impact of such delay in compliance with the Listing Rules is limited.

As no Director has a material interest in the Previous Sales Transactions, none of the Directors has abstained from voting on the relevant board resolutions approving and ratifying the Previous Sales Transactions.

4. EGM

Since COFCO Hong Kong is an associate of COFCO Feed under the Listing Rules, COFCO Hong Kong is treated to have a material interest in the Previous Sales Transactions and the Sales Transactions as contemplated under the Master Sales Agreement. Accordingly, COFCO Hong Kong and its associates are required to abstain from voting for the resolutions to be proposed at the EGM to ratify the Previous Sales Transactions and to approve the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). As at the Latest Practicable Date, COFCO Hong Kong and its associates are interested in 45,058,000 Shares, representing approximately 17.22% of the issued share capital of the Company.

To the best of the Directors' knowledge, information and belief, as of the date of this circular, save for COFCO Hong Kong and its associates, no other Shareholders are required to abstain from voting in respect of any of the resolutions to be proposed at the EGM.

Set out on pages 24 to 25 of this circular is a notice of the EGM to be held at Unit D, 26/F., United Centre, No. 95 Queensway, Hong Kong on Monday, 27 June 2011 at 10:00 a.m.. Ordinary resolutions will be proposed to ratify the Previous Sales Transactions and to approve the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) is set out on pages 24 to 25 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the share registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event, not later than 48 hours before the respective time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

In compliance with Rule 13.39(4) of the Listing Rules, all the resolutions to be proposed at the EGM will be voted by poll. The voting results of the EGM will be announced by the Company after the EGM on Monday, 27 June 2011.

5. RECOMMENDATION

Having made due and reasonable inquiries, the Directors (excluding the independent non-executive Directors who expressed their opinion in the letter from the Independent Board Committee on page 11 of this circular) are of the opinion that the continuing connected transactions under the Master Sales Agreement and the Previous Sales Transactions are/were entered into after arm's length negotiations, are on normal commercial terms and conducted in the ordinary and usual course of business and are in the interest of the Company and the Shareholders as a whole, and that the Previous Sales Transactions, the Proposed Annual Caps and the terms of the Master Sales Agreement are fair and reasonable. Accordingly, the Directors recommend that all the eligible Shareholders should vote in favour of the resolutions to be proposed at the EGM regarding the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder.

6. FURTHER INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee, (ii) the letter from IFA and (iii) further information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
John Ming Tak HO
Managing Director



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

1 June 2011

To the Independent Shareholders

Dear Sirs/Madams,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 1 June 2011 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the Previous Sales Transactions, the terms of Master Sales Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Bridge Partners has been appointed as the independent financial adviser to advise us and the independent Shareholders in this respect.

Having considered the Previous Sales Transactions, the terms of the Master Sales Agreement and the transactions contemplated thereunder, and taken into account the advice of Bridge Partners, we are of the view that the Previous Sales Transaction, the terms of the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are on normal commercial terms, fair and reasonable and conducted in the ordinary and usual course of business, and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve and ratify the Previous Sales Transactions and approve the Master Sales Agreement, the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,

The Independent Board Committee

Mr. Lawrence Kam Kee YU

BBS, MBE, JP

Independent

Non-executive Director

Mr. David Hon To YU

Independent

Non-executive Director

Mr. Hsu Chou WU

Independent

Non-executive Director

LETTER FROM BRIDGE PARTNERS

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Bridge Partners relating to the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) prepared for the purpose of incorporation in this circular:



BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Unit 605, 6/F, Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

1 June 2011

*To the Independent Board Committee
and the Independent Shareholders of Great China Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Previous Sales Transactions, the terms of the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) (the “Continuing Connected Transactions”), details of which are set out in the letter from the Board (the “Letter from the Board”) contained in the circular of the Company dated 1 June 2011 (the “Circular”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

On 11 May 2011, the Company made an announcement (the “Announcement”) that the Company (for itself and on behalf of each of its subsidiaries which sells the Animal Feed Products to COFCO Feed in accordance with the terms of the Master Sales Agreement) and COFCO Feed entered into the Master Sales Agreement whereby the Group agreed to sell and COFCO Feed agreed to purchase from the Group the Animal Feed Products (including fishmeal and tapioca chips) under the terms of the Master Sales Agreement.

As at the Latest Practicable Date, COFCO Hong Kong is interested in 45,058,000 Shares, representing approximately 17.22% of the issued share capital of the Company and hence a connected person of the Company under the Listing Rules. Since COFCO Hong Kong and COFCO Feed are fellow subsidiaries of COFCO, COFCO Feed is an associate of COFCO Hong Kong and a connected person of the Company. As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed

LETTER FROM BRIDGE PARTNERS

Annual Caps exceed 5%, the Sales Transactions under the Master Sales Agreement constitute non-exempt continuing connected transactions and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Accordingly, COFCO Hong Kong and its associates are required to abstain from voting for the resolutions to be proposed at the EGM to ratify the Previous Sales Transactions and to approve the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Lawrence Kam Kee Yu, Mr. David Hon To Yu and Mr. Hsu Chou Wu, has been established to make recommendations to the Independent Shareholders as to whether the Previous Sales Transactions, the terms of the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are in the ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and/or the management of the Company. We have assumed that all such information and representations contained or referred to in the Circular and the information and representations that have been provided by the Company and/or the Directors and/or the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete at the time they were made and continue to be true up to and including the date of the Circular. We consider that we have been provided with sufficient information to form a reasonable basis of our opinions and recommendations. We have no reason to suspect that any material fact or information has been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

Having made all reasonable enquiries, the Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the Listing Rules, for the purpose of giving information with regard to the Company. The Directors have confirmed, having made all reasonable enquiries and to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

We have not, however, carried out any independent verification on the information provided by the Directors and/or the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, COFCO Feed or their subsidiaries or associated companies, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Sales Transactions.

LETTER FROM BRIDGE PARTNERS

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders with regard to the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), we have taken into account the following principal factors and reasons:

(A) Background to and reasons for the entering into of the Master Sales Agreement

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of animal feed (including fishmeal and tapioca chips), property investment and trading of properties. According to the Letter from the Board, the Company, through its wholly-owned subsidiary, G.C. Luckmate Trading Limited, has been engaging in trading of fishmeal products from various origins to the Far East and developed a brand “Luckmate”.

According to the annual report of the Group for the year ended 31 December 2010, the Group’s revenue generated from the sale of fishmeal and tapioca chips accounted for approximately 96.6% of the total revenue of the Group. For the year ended 31 December 2010, the revenue from the trading of fishmeal products and tapioca increased by approximately 32.66% when compared with the same period in 2009 and achieved a net profit of approximately HK\$48 million and HK\$0.8 million respectively.

COFCO Feed is principally engaged in import and export, domestic distribution and storage of feed products and processing and sales of compound, distilled and mixed feed products. In performing its ordinary course of business, the Group has conducted the trading transactions with COFCO Feed in the same nature as the Sales Transactions since late February 2011. Between the period from late February to early April in 2011, the Previous Sales Transactions amounted to approximately US\$13 million (equivalent to approximately HK\$101 million). As advised by the management of the Company, fishmeal is the major product sold by the Group to COFCO Feed.

Since COFCO Feed needs to import fishmeal products to the PRC through the Group by entering into the Master Sales Agreement, the Board considers that the entering into the Master Sales Agreement will facilitate the Group to establish a long-term and stable relationship with COFCO Feed which will in turn provide a secure source of revenue for the Group. In addition, owing to the fact that the Sales

LETTER FROM BRIDGE PARTNERS

Transactions will continue to be conducted on a recurring basis after the approval of the Independent Shareholders, the Directors consider that the supply of the Animal Feed Products to the COFCO Feed is in the ordinary and usual course of business of the Group.

Having taken into account that (i) the Group will maintain a long-term and stable business relationship with COFCO Feed; (ii) the transactions contemplated under the Master Sales Agreement are in the ordinary and usual course of business of the Group and (iii) the Master Sales Agreement could generate a secure source of revenue for the Group, we are of the view that the Continuing Connected Transactions are in the interests of the Group and the Shareholders as a whole.

(B) The Previous Sales Transactions and major terms of the Master Sales Agreement

As stated in the Master Sales Agreement, the Group and COFCO Feed agreed that the Sales Transactions shall be conducted on normal commercial terms, in particular that, (i) the Sales Transactions will be on terms no more favorable than terms available to the independent third parties; (ii) the Sales Transactions will be in the ordinary and usual course of business of the Group and conducted after arm's length negotiations and (iii) the annual sales amount receivable by the Group under the Sales Transactions shall not exceed the Proposed Annual Caps for the three years ending 31 December 2013.

The pricing of the Animal Feed Products has been and will be, determined with reference to: (i) the price set by the PRC government (if any); or (ii) if no such price is set by the PRC government, such market price (per unit) of the Animal Feed Products as agreed upon between the parties after negotiations. The payment terms shall be agreed upon between the Group and COFCO Feed separately on a fair and reasonable basis.

As discussed with the management of the Company, the prices of the Animal Feed Products are market driven and the suppliers of such products usually determine the selling prices based on arm's length negotiations with their customers. The Company further confirms that the selling prices of the Animal Feed Products to be charged by the Group to COFCO Feed shall be no more favorable than those available to the independent third parties.

In assessing the Previous Sales Transactions and the terms of the transactions under the Master Sales Agreement, we have reviewed some sample copies of the invoices issued by the Group to the independent third parties and compared them with those issued to COFCO Feed. Based on our review, we noted that the prices of the Animal Feed Products and the payment terms offered by the Group to COFCO Feed were not more favorable as compared to those offered to the independent third parties. As such, we consider that the Previous Sales Transactions and the Master Sales Agreement were entered in the ordinary and usual course of business and on normal commercial terms. We are also of the view that the Previous Sales Transactions, the

LETTER FROM BRIDGE PARTNERS

terms of the Master Sales Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Shareholders and the Company as a whole.

(C) The Proposed Annual Caps

The historical transaction amount between the Group and COFCO Feed from February 2011 up to the date of the Announcement and the Proposed Annual Caps under the Master Sales Agreement are set out as follows:

Historical transaction amount from February 2011 up to the date of the Announcement	Proposed Annual Caps		
	Financial year ending 31 December 2011	Financial year ending 31 December 2012	Financial year ending 31 December 2013
US\$13 million (equivalent to approximately HK\$100,866,100)	HK\$360,000,000	HK\$415,000,000	HK\$477,000,000
Growth rate	—	15%	15%

The Proposed Annual Cap for the year ending 31 December 2011 is determined by making reference to (i) the actual amount of the Animal Feed Products purchased by COFCO Feed from February 2011 to the date of the Announcement, being approximately US\$13 million (equivalent to approximately HK\$101 million); and (ii) a buffer amount for the Sales Transactions.

As advised by the Company, COFCO Feed estimates that the demand of the fishmeal from the Company will be around 20,000 tonnes to 30,000 tonnes in 2011. At the time when the annual cap between COFCO Feed and the Company was discussed, the price of the fishmeal was around US\$1,450 per tonne. The estimation of Proposed Annual Cap for the year ending 31 December 2011 was prepared on the basis of multiplying an estimated unit fishmeal price by an estimated maximum volume of the fishmeal to be sold. On the other hand, the rest of the buffer amount is prepared for the Sales Transactions in respect of the supply of tapioca chips to COFCO Feed.

To set the Proposed Annual Caps for years 2012 and 2013, the Group forecasts that there will be an annual increment of 15% on the Sales Transactions. According to the Company, COFCO Feed had indicated the possibility of increasing in demand for Animal Feed Products in future. Therefore, the Sales Transactions was estimated after taking into account (i) the expected increase in the supply of Animal Feed Products to COFCO Feed and (ii) the estimated inflation rate for the PRC in 2012 and 2013. We have reviewed the sales revenue of the Animal Feed Products for the three years ended 31 December 2010 of the Group from the annual reports of the Company and noted that the sales revenue of the Animal Feed Products increased from HK\$1,549.7 million

LETTER FROM BRIDGE PARTNERS

in 2008 to HK\$2,432.8 million in 2010 representing the compound annual growth rate of 25.3% over the three years ended 31 December 2010. Therefore, we are of the view that the estimated 15% increase in the sales revenue of Animal Feed Products is fair and reasonable.

Taking into account that (i) the Proposed Annual Caps are determined with reference to the actual amount of the Animal Feed Products purchased by COFCO Feed from February 2011 up to the date of the Announcement; (ii) the estimated increase in demand on the Animal Feed Products; (iii) the buffer amount for the Sales Transactions and (iv) the forecasted inflation rate in China in 2012 and 2013, we consider that the basis for determining the Proposed Annual Caps is fair and reasonable.

However, the Shareholders should note that as the Proposed Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2013, they do not represent forecasts of revenue to be generated from the operations of the Group. Consequently, we express no opinion as to how closely the actual amounts to be received by the Group will correspond with the Proposed Annual Caps.

(D) Requirements by the Listing Rules regarding the Continuing Connected Transactions

For each financial year of the Company over the terms of the Master Sales Agreement, the transactions contemplated thereunder shall be subject to the annual review by the independent non-executive Directors and the Company's auditors pursuant to Rules 14A.37 and 14A.38 of the Listing Rules, respectively. In particular, each year, the independent non-executive Directors must confirm that the continuing connected transactions contemplated thereunder have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than the terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, each year, the Company's auditors must provide a letter to the Board confirming that the continuing connected transactions contemplated thereunder:

- have received the approval of the Board;

LETTER FROM BRIDGE PARTNERS

- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
- have been entered into in accordance with the relevant agreement governing the transactions; and
- have not exceeded the cap disclosed in the previous announcement(s).

Given the above, we consider that there exist the appropriate measures to confirm that the Continuing Connected Transactions contemplated thereunder will be conducted on terms pursuant to the Master Sales Agreement and safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Previous Sales Transactions, the Master Sales Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are in the ordinary and usual course of business and on normal commercial terms. We are also of the view that the Previous Sales Transactions and the terms of the Master Sales Agreement (including the Proposed Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and the entering into the Previous Sales Transactions and the Master Sales Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the upcoming EGM.

Yours faithfully,
For and on behalf of
Bridge Partners Capital Limited
Monica Lin
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors and chief executive of the Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered into the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange:

Name	Long position/ short position	Capacity and nature of interest	Number of issued ordinary shares interested	Percentage of issued share capital of the Company
Rustom Ming Yu HO	Long position	Interest in a controlled corporation	138,347,288 (Note 1)	52.87%
John Ming Tak HO	Long position	Family interests	600,000 (Note 2)	0.23%
John Ming Tak HO	Long position	Interest in a controlled corporation	138,347,288 (Note 1)	52.87%

Notes:

- By virtue of the SFO, both Mr. Rustom Ming Yu HO and Mr. John Ming Tak HO were deemed to have interests in the 138,347,288 Shares held by Fulcrest Limited, a company in which Mr. Rustom Ming Yu HO and Mr. John Ming Tak HO have controlling interests. Both of Mr. Rustom Ming Yu HO and Mr. John Ming Tak HO are directors of Fulcrest Limited.
- These 600,000 Shares are held by the spouse of Mr. John Ming Tak HO. Mr. John Ming Tak HO is deemed to have interests in these 600,000 Shares by virtue of the SFO.

Substantial shareholders' interests

As at the Latest Practicable Date, save as disclosed below, according to the list of substantial shareholders extracted from the website of the Stock Exchange, the following companies or persons (except for the Directors or chief executives of the Company) had an interest or short position in the Shares and the register of interests kept by the Company under section 336 of the SFO and as far as is known to the Directors, no person other than a Director whose interests are disclosed above, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital:

Name	Capacity and nature of interest	Number of Shares interested	Approximate percentage of interest in the Company's issued share capital
Fulcrest Limited	Beneficial owner	138,347,288	52.87%
Asian Pacific Investment Corporation (<i>Note</i>)	Interest in a controlled corporation	138,347,288	52.87%
Kwong Fong Holdings Limited	Beneficial owner	710,000	0.27%
Kwong Fong Holdings Limited (<i>Note</i>)	Interest in a controlled corporation	138,347,288	52.87%
Kwong Fong Industries Corporation	Beneficial owner	8,680,000	3.32%
Kwong Fong Industries Corporation (<i>Note</i>)	Interest in a controlled corporation	139,057,288	53.14%
COFCO (Hong Kong) Limited	Beneficial owner	45,058,000	17.22%

Note:

The share capital of Fulcrest Limited was owned as to 51% by Asian Pacific Investment Corporation and as to 49% by Kwong Fong Holdings Limited. Kwong Fong Holdings Limited was a wholly owned subsidiary of Kwong Fong Industries Corporation. Accordingly, Asian Pacific Investment Corporation and Kwong Fong Holdings Limited were deemed to be interested in the

138,347,288 shares of the Company held by Fulcrest Limited; and Kwong Fong Industries Corporation was deemed to be interested in the 139,057,288 shares of the Company in which Kwong Fong Holdings Limited had an interest.

3. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (b) none of the Directors was materially interested in contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

Mr. Maung Tun MYINT, an executive Director, entered into a service contract with the Company for three years commencing from 1 April 2009. He is entitled to receive a salary of HK\$1,200,000 per annum and a discretionary bonus decided by the Board based on his performance and the financial results of the Group.

Ms. Daphne Yu Gia HO, a non-executive Director, entered into a service contract with the Company for three years commencing from 1 April 2011. She is entitled to receive a salary of HK\$60,000 per annum.

Each of the independent non-executive Directors entered into a service contract with the Company for three years commencing from 1 April 2011. Mr. Lawrence Kam Kee YU is entitled to receive a salary of HK\$240,000 per annum, Mr. David Hon To YU is entitled to receive a salary of HK\$250,000 per annum while Mr. Hsu Chou Wu is entitled to receive a salary of HK\$60,000 per annum. All non-executive and independent non-executive Directors are not entitled to receive any bonus.

As at the Latest Practicable Date, there is no existing service contract entered into or proposed service contract to be entered into between any Director and any member of the Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

Save as disclosed in the Company's announcement of 25 May 2011, as at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2010 (being the date to which the latest published audited accounts of the Company were made up).

6. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor his or her associates was interested in any business part from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

7. LITIGATION

Except the legal action (the “Legal Action”) initiated by Shanghai Zenith Trading Company Limited* (上海澤尼貿易有限公司) at the Shanghai No. 2 Intermediate People’s Court against Guangzhou Jinhe Feed Company Limited* (廣州進和飼料有限公司), Mr. Wong Hiuman (黃曉民) and Mr. Wang Xianning (黃獻寧) in March 2011, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group. For details of the Legal Action, please refer to the announcement issued by the Company on 4 April 2011.

8. MATERIAL CONTRACTS

No contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material.

9. GENERAL

- (a) The registered office of the Company is located at Unit D, 26/F, United Centre, No. 95 Queensway, Hong Kong.
- (b) The share registrar of the Company is Tricor Abacus Limited located at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Joseph Siu Kwan CHENG who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

* For identification purposes only

10. EXPERT CONSENT

The following are the qualifications of the expert who has given advice or opinion contained in this circular:

Name	Qualification
Bridge Partners	a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Bridge Partners had given and had not withdrawn its written consent to the issue of this circular with inclusion of its opinion and the reference to its name included herein in the form and context in which it appears. As at the Latest Practicable Date, Bridge Partners did not have any shareholding in the Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.

As at the Latest Practicable Date, Bridge Partners did not have any direct or indirect interest in any asset which had been acquired or disposed of by or leased to the Company, or was proposed to be acquired or disposed of by or leased to the Company, since 31 December 2010, being the date to which the latest published audited financial statements of the Company were made up.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Unit D, 26/F., United Centre, No. 95 Queensway, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday (except public holidays) for a period of 14 days from the date hereof:

- (a) the Master Sales Agreement;
- (b) the directors' service contracts disclosed on page 21 of this circular;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 11 of this circular;
- (d) the letter from Bridge Partners to the independent board committee and to the Independent Shareholders, the text of which is set out on pages 12 to 18 of this circular; and
- (e) the letter of consent referred to under the paragraph headed "Expert and consent" of this appendix.

NOTICE OF EGM



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Great China Holdings Limited (the “**Company**”) will be held at Unit D, 26/F., United Centre, No. 95 Queensway, Hong Kong on Monday, 27 June 2011 at 10:00 a.m. to consider and, if thought fit, pass (with or without modifications) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

“THAT:

1. (a) the Master Sales Agreement dated 11 May 2011 between the Company (for itself and on behalf of each of its subsidiaries which sells the Animal Feed Products to COFCO Feed in accordance with the terms of Master Sales Agreement) and COFCO Feed for the sales of the Animal Feed Products from the Company, the transactions contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
- (b) the Proposed Annual Caps for the Sales Transactions contemplated under the Master Sales Agreement of HK\$360 million, HK\$415 million and HK\$477 million for the three years ending 31 December 2011, 2012 and 2013 respectively be and are hereby approved and confirmed; and
2. the Previous Sales Transactions entered into between the Group and COFCO Feed since late February 2011 and up to the date of the EGM be and are hereby approved, confirmed and ratified.”

By order of the Board
John Ming Tak HO
Managing Director

Hong Kong, 1 June 2011

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be delivered to the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Thursday, 23 June 2011 to Monday, 27 June 2011, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 22 June 2011.