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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Great China Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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

CROSBY

Crosby Securities Limited

A letter from the board of directors of the Company is set out on pages 4 to 13 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 14 of this circular. A letter of advice from Crosby Securities Limited to the independent board committee of the Company and the independent shareholders of the Company is set out on pages 15 to 27 of this circular.

A notice convening an 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, 23 December 2013 at 10:00 a.m. is set out on pages 32 to 33 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 to be sold or procured by the Group to or from COFCO Feed pursuant to the Master Sales & Procurement Agreement, including fishmeal and other animal feed products, such as fish oil, meat and bone meal, whey powder, soyabean meal, soyabean oil, rapeseed meal, rapeseed oil, groundnut meal, groundnut oil, corn gluten meal, cotton seed meal, cotton seed oil, sunflower seed oil, corn, barley, wheat, etc. Fishmeal is a nutrient-rich and high protein supplement feed ingredient, is made by cooking, pressing, drying and grinding of fish or fish waste, is a solid product from which most of the water is removed, and can be stored for a long period of time if it is stored in good storage condition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCT Subsidiaries”	the subsidiaries of the Company which will sell and/or procure the Animal Feed Products to/from COFCO Feed in accordance with the terms of the Master Sales & Procurement Agreement
“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

DEFINITIONS

“Crosby Securities Limited” or “IFA”	Crosby Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) 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 terms of the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps)
“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, 23 December 2013 at 10:00 a.m. at which resolutions will be proposed to approve the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps) by the Independent Shareholders
“Group”	the Company and its subsidiaries
“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 <i>BBS, MBE, JP</i> , Mr. David Hon To YU and Mr. Hsu Chou WU
“Independent Shareholders”	Shareholders other than COFCO Hong Kong and its associates
“Latest Practicable Date”	29 November 2013, 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 & Procurement Agreement”	the Master Sales & Procurement Agreement dated 4 November 2013 entered into between the Company (for itself and on behalf of each of the CCT Subsidiaries) and COFCO Feed in respect of the Transactions
“PRC”	the People’s Republic of China

DEFINITIONS

“Proposed Annual Caps”	collectively, the Proposed Annual Caps (Sales) and Proposed Annual Caps (Procurement)
“Proposed Annual Caps (Procurement)”	the maximum aggregate annual value of the procurement of the Animal Feed Products by the Group from COFCO Feed under the Master Sales & Procurement Agreement for the three years ending 31 December 2014, 2015 and 2016
“Proposed Annual Caps (Sales)”	the maximum aggregate annual value of the sales of the Animal Feed Products by the Group to COFCO Feed under the Master Sales & Procurement Agreement for the three years ending 31 December 2014, 2015 and 2016
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the ordinary shares of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the sales or procurement of the Animal Feed Products by the Group to or from COFCO Feed under the Master Sales & Procurement Agreement
“%”	per cent.



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. Yu Gia HO

Independent non-executive Directors:

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

5 December 2013

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

Reference is made to the announcement of the Company dated 4 November 2013 in relation to, among others, the continuing connected transactions contemplated under the Master Sales & Procurement 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 Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps).

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 terms of the Master Sales & Procurement 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.

Crosby Securities Limited, an independent financial adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Master Sales & Procurement 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 and approve, among others, the ordinary resolutions regarding the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps).

2. THE MASTER SALES & PROCUREMENT AGREEMENT

Date:

4 November 2013

Term:

The Master Sales & Procurement Agreement shall take effect from the latest of:

- (i) the date on which the Company and COFCO Feed duly executes the Master Sales & Procurement Agreement and the CCT Subsidiaries acknowledge in writing they agree to the Master Sales & Procurement Agreement;
- (ii) the date of approval of the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps) by the Independent Shareholders; or
- (iii) 1 January 2014;

up to 31 December 2016.

Parties:

- (i) the Company (for itself and on behalf of each of the CCT Subsidiaries), as seller and purchaser; and
- (ii) COFCO Feed, as purchaser and seller.

LETTER FROM THE BOARD

Transaction nature

Pursuant to the Master Sales & Procurement Agreement, the Group and COFCO Feed agreed to sell to and procure from each other the Animal Feed Products during the term of the Master Sales & Procurement Agreement. The Animal Feed Products to be procured by or sold to the Group are basically the same. Each Transaction shall be effected and governed by the relevant purchase order to be entered into between the relevant CCT Subsidiary and COFCO Feed.

Pricing and other terms

The pricing of the Animal Feed Products shall be determined with reference to:

- (i) the price set (when lack of such mandatorily-set price, the recommended price) by the PRC government (if any); or
- (ii) if no such price is mandatorily set or recommended by the PRC government, then the price shall be determined by the price agreed between the parties which should reflect the fair market price of the Animal Feed Products with the same terms and conditions.

Currently, PRC government prices for the Animal Feed Products are not available. Therefore, the consideration of the Transactions shall follow the fair market price which will be determined by the parties.

For sale of the Animal Feed Products by the Group to COFCO Feed, the fair market price will be determined with reference to (i) the Company's recent sale prices of the relevant Animal Feed Products to other independent third parties within the last one week; and (ii) if such information is not available, other information from the market including the pricing information from its suppliers, public information available on the internet such as JCI (匯易諮詢) and China Feed Online, as well as the report obtained by the traders of the Company on the port price (港口價) of the relevant Animal Feed Products.

For procurement of the Animal Feed Products by the Group from COFCO Feed, the trading department of the Group will obtain quotations from other independent third parties, and if the Group considers that COFCO Feed offers the most competitive pricing in comparison to others, the Group will place a purchase order to COFCO Feed.

It is intended that should any government price applicable to the relevant Animal Feed Products be available in future, the parties will adopt the government prices of such materials in their first priority.

LETTER FROM THE BOARD

The Group and COFCO Feed agreed that the terms of the Transactions shall be conducted on normal commercial terms, negotiated on an arm's length basis and be on similar basis as the Group transacts business with other independent third party customers and shall be on terms which are no less favourable or identical to those offered by the Group to such third party customers.

Payment terms

Details of the payment terms shall be agreed upon between the Group and COFCO Feed separately on a fair and reasonable basis. Unless otherwise agreed between the parties, all payment shall be settled within the same month as when it incurs.

Conditions precedent

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

Historical transaction amounts

The aggregate approximate amounts of the sale of the Animal Feed Products between the Group and COFCO Feed for the two years ended 31 December 2012 and the ten months ended 31 October 2013 were as follows:

	For the year ended		For the ten
	31 December		months ended
	2011	2012	31 October
			2013
Sale of the Animal Feed Products by the Group to COFCO Feed (HK\$)	128,577,000	96,485,000	11,395,000
Sale of the Animal Feed Products by COFCO Feed to the Group (HK\$)	0	0	0

According to the latest available financial information of the Company, the Group's existing purchases from independent third parties for the two years ended 31 December 2011, 2012 and the 10 months ended 31 October 2013 are HK\$1,750,000,000, HK\$1,662,000,000 and HK\$1,106,000,000 respectively.

LETTER FROM THE BOARD

Proposed Annual Caps

The Proposed Annual Caps for the Transactions for the three years ending 31 December 2016 are set out as follows:

	For the year ending 31 December		
	2014	2015	2016
Proposed Annual Caps (Sales) (<i>HK\$</i>)	350,000,000	390,000,000	430,000,000
Proposed Annual Caps (Procurement) (<i>HK\$</i>)	120,000,000	130,000,000	150,000,000

Basis of the Proposed Annual Caps

The Proposed Annual Caps (Sales) for the three financial years ending 31 December 2014, 2015 and 2016 are determined with reference to (i) the historical sales amounts of the Animal Feed Products by the Group to COFCO Feed, and (ii) the Group's forecast of an annual increment of about 10% on the sales amount from 2014 to 2016.

The proposed sales annual caps for the year ending 31 December 2014 of HK\$350,000,000 is based on the calculation of multiplying the potential maximum amount of 30,000 metric tons of Animal Feed Products that COFCO Feed may purchase from the Group in 2014 by the price of fishmeal of US\$1,500 per metric ton. The potential maximum amount of 30,000 metric tons of Animal Feed Products was determined after taking into account the total volume of fishmeal sold by the Group to its then top customer in 2010, which was over 40,000 metric tons, and a favourable change in external factors near the end of 2013 as the government of Peru announced an export quota in October 2013 which was similar to the healthy quota level in year 2010. The fishmeal price of US\$1,500 per metric ton was the prevailing market price of fishmeal at the time of discussion between the Company and COFCO Feed. The approximately 10% annual increment for each of the two years ending 31 December 2015 and 2016 was determined with reference to the expected GDP growth rate of approximately 11% in both years 2015 and 2016 in the PRC according to the October 2013 edition of the International Monetary Fund's World Economic Outlook Database, a reputable international organization.

In considering the Proposed Annual Caps, the Company has not used the historical data for the period from 2011 to 31 October 2013 as reference for benchmarking the Proposed Annual Caps (Sales). It is because year 2011 to mid-2013 were abnormal years in the fishmeal industry due to an unexpected export quota easing in Peru in year 2011 which caused the price of fishmeal to tumble, and an unexpected export quota reduction announced by the Peru government near the end of year 2012 and unfavourable weather conditions in the PRC in the second quarter of year 2013 caused the price of fishmeal to skyrocket past US\$2,000 per metric ton in April 2013, which all dampened the demand for fishmeal and significantly cut back on any large scale fishmeal purchases in the market.

LETTER FROM THE BOARD

Therefore, the Company has used the historical data of 2010, a relatively normal year in the fishmeal industry, as reference in determining the Proposed Annual Caps (Sales) for the year ending 31 December 2014 as there was no unexpected export quota easing or tightening in Peru in 2010.

The Proposed Annual Caps (Procurement) for the three financial years ending 31 December 2014, 2015 and 2016 are determined with reference to (i) the Group's historical purchase volume of fishmeal for the year ended 31 December 2010 (which is considered to be a normal year in the fishmeal industry and is therefore used as a benchmark) of approximately 180,000 metric tons; and (ii) the Group's forecast of an annual increment of about 10% on the procurement amount from 2014 to 2016. The proposed procurement annual caps for the year ending 31 December 2014 of HK\$120,000,000 is determined after taking into account the price of fishmeal of US\$1,500 per metric ton and the potential maximum amount of approximately 10,000 metric tons of Animal Feed Products that the Group may purchase from COFCO Feed. The Company estimates that the Group's purchase of fishmeal from the PRC for the year ending 31 December 2014 could potentially represent up to 10% of the Group's total purchase volume for the year ended 31 December 2010 (as stated above, year 2010 is considered to be a normal year in the fishmeal industry and is therefore used as a benchmark), out of which approximately half could potentially represent purchase from COFCO Feed.

The said potential maximum amount of approximately 10,000 metric tons is therefore derived by multiplying the Group's total fishmeal purchase of approximately 180,000 metric tons for the year ended 31 December 2010 by approximately 10% to arrive at the potential total purchase volume from the PRC, then multiplying such amount by approximately 55% to arrive at the potential total purchase volume from COFCO Feed for the year ending 31 December 2014. As stated above, the fishmeal price of US\$1,500 per metric ton was the prevailing market price of fishmeal at time of discussion between the Company and COFCO Feed.

Furthermore, the approximately 10% annual increment for each of the two years ending 31 December 2015 and 2016 was determined with reference to the expected GDP growth rate of approximately 11% in both years 2015 and 2016 in the PRC according to the October 2013 edition of the International Monetary Fund's World Economic Outlook Database, a reputable international organization.

Reasons for and Benefits of Entering into the Master Sales & Procurement Agreement

The Company is an investment holding company and its subsidiaries are principally engaged in trading of animal feed (including fishmeal and other animal feed), 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.

LETTER FROM THE BOARD

The Group's major suppliers in the animal feed business are mainly located in Peru, and the rests are located in various locations, including Chile, Thailand and the PRC. As for the Group's customers in this sector of business, the majority of them are located in the PRC, whilst the remaining few are located in Taiwan and Vietnam.

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 & Procurement Agreement.

The Group and COFCO Feed are both traders of Animal Feed Products. The Group will purchase from any supplier depend on pricing and availability of products. If a certain kind of Animal Feed Products is available and the then pricing of such product is profitable to the Group, the Group will purchase such kind of Animal Feed Products. As most of the fishmeal suppliers are located in Peru, the purchase turnaround period for the fishmeal is usually 1 to 2 months. Therefore, if any customer of the Group urgently needs a specific kind of Animal Feed Product which the Group is out of stock, the Group will try to source such kind of Animal Feed Products from other traders who have the same kind of product in stock and readily available, which include COFCO Feed. On the other hand, if COFCO Feed receives urgent order from its customers on a specific kind of Animal Feed Products which it does not have enough stock, it will also try to source from other traders in the market, which include our Group. The market of the Animal Feed Products is fragmented with no dominant market player, the Group and COFCO Feed will simply follow the then market price of the relevant Animal Feed Products when selling such products to each other. Should any of the selling parties set the price higher than the market level, the other party will switch to source from another trader in the market.

Generally speaking, the sales of Animal Feed Products by the Group to COFCO Feed would widen the customer base of the Company and thus increase the revenue of the Group.

During the period from 2011 to 31 October 2013 the fishmeal market greatly fluctuated due to, among other things, the unexpected export quota easing and reduction in Peru and unfavourable weather conditions in the PRC. The Company believes that, through entering into the Master Sales & Procurement Agreement, the Group would be able to ensure a relatively more stable source of fishmeal products. Further, given that COFCO group is one of the leading suppliers of diversified products and services in agricultural and food industry in the PRC, the Master Sales & Procurement Agreement would allow the Group flexibility to purchase Animal Feed Products from such a large player given the right pricing terms and allow the Group to have a wider selection of Animal Feed Products. The possibility of procurement of Animal Feed Products from COFCO also provides the Group a flexible alternative source to obtain Animal Feed Products for selling to customers who require the Animal Feed Products within a short delivery period. As such, the Board considers

LETTER FROM THE BOARD

that the Master Sales & Procurement 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 Transactions will continue on a recurring basis, the Directors (excluding the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee on page 14 of this circular) are of the view that the Master Sales & Procurement 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 & Procurement Agreement, none of the Directors has abstained from voting on the relevant board resolutions approving the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps).

3. 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 Transactions contemplated under the Master Sales & Procurement Agreement constitute continuing connected transactions of the Company under the Listing Rules.

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

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 Transactions as contemplated under the Master Sales & Procurement Agreement. Accordingly, COFCO Hong Kong and its associates are required to abstain from voting for the resolutions to be proposed at the EGM to approve the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps). 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.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, 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 32 to 33 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, 23 December 2013 at 10:00 a.m. to approve the Master Sales & Procurement Agreement and the Transactions contemplated thereunder (including the Proposed Annual Caps).

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.greatchinaholdingsltd.com.hk). 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.

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, 23 December 2013.

5. RECOMMENDATION

Having made due and reasonable inquiries, the Directors (excluding the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee on page 14 of this circular) are of the opinion that the Transactions under the Master Sales & Procurement Agreement are 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 Proposed Annual Caps and the terms of the Master Sales & Procurement 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 Master Sales & Procurement Agreement and the Transactions contemplated thereunder.

LETTER FROM THE BOARD

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
Great China Holdings Limited
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)

5 December 2013

To the Independent Shareholders

Dear Sirs/Madams,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 5 December 2013 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 terms of the Master Sales & Procurement 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. Crosby Securities Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect.

Having considered the terms of the Master Sales & Procurement Agreement and the Transactions contemplated thereunder, and taken into account the advice of Crosby Securities Limited, we are of the view that the terms of the Master Sales & Procurement Agreement and the Transactions contemplated thereunder 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 the Master Sales & Procurement 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 CROSBY SECURITIES LIMITED

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Crosby Securities Limited relating to the Master Sales & Procurement Agreement and the Transactions (including the Proposed Annual Caps) prepared for the purpose of incorporation in this circular:

CROSBY

5/F, AXA Centre
151 Gloucester Road
Wanchai, Hong Kong

5 December 2013

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the entering into of the Master Sales & Procurement Agreement between the Company and COFCO Feed, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 5 December 2013, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 4 November 2013, the Company (for itself and on behalf of each of the CCT Subsidiaries) and COFCO Feed entered into the Master Sales & Procurement Agreement whereby the Group and COFCO Feed agreed to sell to and procure from each other the Animal Feed Products (including fishmeal and other animal feed products) during the term of the Master Sales & Procurement Agreement.

As of the Latest Practicable Date, COFCO Hong Kong was 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. As the relevant percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceed(s) 5%, the Transactions under the Master Sales & Procurement 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.

LETTER FROM CROSBY SECURITIES LIMITED

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lawrence Kam Kee Yu *BBS MBE JP*, Mr. David Hon To Yu and Mr. Hsu Chou Wu, has been formed to advise the Independent Shareholders on the terms of the Master Sales & Procurement Agreement and the Transactions (including the Proposed Annual Caps).

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company. The Directors have declared in a responsibility statement set out in the Appendix to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truthfulness, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, COFCO Feed or any of their respective subsidiaries or associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Crosby Securities Limited is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the entering into of the Master Sales & Procurement Agreement, we have considered the following principal factors and reasons:

A. Background of and reasons for entering into of the Master Sales & Procurement Agreement

Information on the Group

The Group is principally engaged in the trading of animal feed (including fishmeal and other animal feed), 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,

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trusted by an array of well-established clientele. Reference is made to the Company's annual report for the year ended 31 December 2012 and interim report for the six months ended 30 June 2013 (collectively, the "**Financial Reports**"). The Group's revenue from the trading of animal feed (including fishmeal and other animal feed) amounted to approximately HK\$1,655.3 million for the year ended 31 December 2012, which accounted for approximately 97.8% of the Group's total revenue for the year ended 31 December 2012, and approximately HK\$916.7 million for the six months ended 30 June 2013, which accounted for approximately 98.0% of the Group's total revenue for the six months ended 30 June 2013. According to the Financial Reports and our understanding of the Group's principal business, we note that the nature of the Transactions is in line with the ordinary and usual course of business of the Group.

Sale of Animal Feed Products

COFCO Feed is principally engaged in the import and export, domestic distribution and storage of feed products and processing and sales of compound, distilled and mixed feed products. As advised by the Company, as a trader of animal feed, COFCO Feed would purchase fishmeal from time to time from various sources (including from the Group) for its trading activities, after taking into consideration factors such as pricing, inventory level and delivery time. Throughout the two years ended 31 December 2012 and up to the Latest Practicable Date, COFCO Feed imported fishmeal into the PRC through the Group via the Existing Agreement. Fishmeal was the major product sold from the Group to COFCO Feed. The historical amounts of fishmeal sold from the Group to COFCO Feed amounted to approximately HK\$128.6 million and HK\$96.5 million for the two years ended 31 December 2011 and 2012, respectively, and approximately HK\$11.4 million for the ten months ended 31 October 2013. The Board considers that the entering into of the Master Sales & Procurement Agreement and the Transactions will facilitate the Group to maintain a long-term and stable relationship with COFCO Feed and will in turn provide a secure and on-going source of revenue for the Group.

Procurement of Animal Feed Products

Historically, the Group mainly sourced fishmeal from Peru. According to information provided by the Group for the three years ended 31 December 2012 and for the ten months ended 31 October 2013, purchase of fishmeal from Peru accounted for approximately 93.0%, 88.3%, 85.2% and 81.9% of the Group's total purchase of fishmeal in terms of metric tons, respectively. In addition to Peru, the Group also sourced fishmeal from other countries including, amongst others, Chile, Thailand and the PRC. As advised by the Company, in selecting the supplier from which the Group would source its fishmeal, it is the Group's normal practice to obtain and compare price quotes from alternative sources in the market, sometimes meaning sources from different countries, in order to secure purchases with the most competitive pricing. Given the relatively volatile nature of fishmeal supply from Peru in recent years due to government policies affecting

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its export quota, and as COFCO Feed, similar to the Group, is also engaged in the trading of animal feed, the Board considers it is to the advantage of the Group in terms of procurement flexibility to be able to also source Animal Feed Products from COFCO Feed in the future if the pricing they offer is competitive compared to other suppliers in the market. Furthermore, as stated in the Letter from the Board, the turnaround time from the actual fishing taking place to the fishmeal ultimately being delivered from Peru to the PRC may take a considerably long period of time, sometimes taking over months. If the Group is allowed to source Animal Feed Products from COFCO Feed in the future, this would potentially allow the Group to more effectively cater for customers who require fishmeal to be delivered to them within a short period of time even if the Group's inventory level may be low at the time. The sourcing of Animal Feed Products from COFCO Feed could therefore enhance overall customer satisfaction, especially for customers who require fishmeal within a short period of time, and improve the Group's inventory holding efficiency.

Having taking into account that (i) the nature of the Transactions is in line with the ordinary and usual course of business of the Group; (ii) the entering into of the Master Sales & Procurement Agreement and the Transactions will facilitate the Group to maintain a long-term and stable relationship with COFCO Feed; (iii) the sale of Animal Feed Products to COFCO Feed will continue to provide the Group with a continuous stable source of revenue; and (iv) the procurement of Animal Feed Products from COFCO Feed will enhance the Group's procurement flexibility and widen its sourcing alternatives, we are of the view that the entering into of the Master Sales & Procurement Agreement and the Transactions are in the interests of the Group and the Shareholders as a whole.

B. Major terms of the Master Sales & Procurement Agreement

Pursuant to the Master Sales & Procurement Agreement, the Group and COFCO Feed agreed to sell to and procure from each other the Animal Feed Products (including fishmeal and other animal feed products) during the term of the Master Sales & Procurement Agreement. Each Transaction shall be effected and governed by the relevant purchase order to be entered into between the relevant member of the Group and COFCO Feed. Furthermore, the Group and COFCO Feed agreed that the terms of the Transactions shall be (i) conducted on normal commercial terms; (ii) negotiated on an arm's length basis and on similar basis as the Group transacts business with other independent third party customers; and (iii) on terms which are no less favorable or identical to those offered by the Group to such third party customers.

Pursuant to the pricing terms stipulated in the Master Sales & Procurement Agreement, the pricing of the Animal Feed Products has historically been and will be determined with reference to either (i) the price mandatorily set (when lack of such mandatorily-set price, recommended) by the PRC government; or (ii) if no such price is mandatorily set or recommended by the PRC government, the fair and reasonable market price of the Animal Feed Products as agreed upon between the parties after arm's length negotiations. As advised by the management of the Company, as at the

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Latest Practicable Date, there was not any mandatory price set for the Animal Feed Products by the PRC government. As stated in the Letter from the Board, it is intended that should any PRC government price applicable to the relevant Animal Feed Products be available in the future, the parties to the Master Sales & Procurement Agreement will adopt the PRC government price. Details of any payment terms shall be agreed upon between the Group and COFCO Feed separately on a fair and reasonable basis. Unless otherwise agreed between the parties, all payments shall be settled within the same month as when they incur.

We have discussed with the Company and understand that the Group has in place internal procedures to ensure the Transactions will be (i) conducted on normal commercial terms; (ii) negotiated on an arm's length basis and on similar basis as the Group transacts business with other independent third party customers; and (iii) on terms which are no less favorable to those offered by the Group to such third party customers by making reference to the prevailing independent market price of the Animal Feed Products. As advised by the Company, for the sale of Animal Feed Products to COFCO Feed, once the Group receives a purchase order from COFCO Feed, the trading department of the Group would determine the selling price by making reference to recent sale and purchase prices with other independent third party customers, as well as review any public information available on industry websites and relevant industry reports for reference purposes, to ensure the selling price would be determined on an arm's length basis. For the purchase of Animal Feed Products from COFCO Feed pursuant to the Master Sales & Procurement Agreement in the future, before the Group initiates a purchase order to COFCO Feed, the trading department of the Group would compare price quotes from alternative sources, and based on the pricing competitiveness of each source and recent sale and purchase prices with other independent third party customers, the Group would then make a decision on which source to purchase the fishmeal from. Going forward, as advised by the Company, the aforesaid procedures will remain (for sale of Animal Feed Products to COFCO Feed) and will be (for the purchase of Animal Feed Products from COFCO Feed) in place to ensure that the Transactions will be on normal commercial terms. We have obtained from the Company and reviewed sample sales contracts entered into between the Group and COFCO Feed during the two years ended 31 December 2012 and ten months ended 31 October 2013 (the "**Review Period**") and compared the key terms of such sales contracts to those entered into between the Group and other independent third party customers for similar products at a similar time, and note that the major terms, including pricing and payment terms, offered by the Group to COFCO Feed were no less favorable to the Group than those offered to other independent third party customers during the Review Period and hence on normal commercial terms.

Having considered the above, in particular the fact that the Group will continue to have in place internal procedures to ensure the Transactions will be (i) conducted on normal commercial terms; (ii) negotiated on an arm's length basis and on similar basis as the Group transacts business with other independent third party customers; and (iii) on terms which are no less favorable or identical to those offered by the Group to such third party customers, we concur with the Directors' view that the terms of the Master

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Sales & Procurement Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

C. The Proposed Annual Caps

The aggregate approximate amounts of the sale of the Animal Feed Products between the Group and COFCO Feed for the two years ended 31 December 2012 and the ten months ended 31 October 2013 were as follows:

	For the year ended 31 December		For the ten months ended 31 October
	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Sale of Animal Feed Products by the Group to COFCO Feed	128,577,000	96,485,000	11,395,000

Historically, the Group did not procure Animal Feed Products from COFCO Feed as there were no annual caps obtained for such procurement.

The Proposed Annual Caps for the three years ending 31 December 2014, 2015 and 2016 are set out as follows:

	For the year ending 31 December		
	2014	2015	2016
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Proposed Annual Caps (Sales)	350,000,000	390,000,000	430,000,000
Proposed Annual Caps (Procurement)	120,000,000	130,000,000	150,000,000

As stated in the Letter from the Board, the Proposed Annual Caps (Sales) for the three financial years ending 31 December 2014, 2015 and 2016 are determined with reference to (i) the historical sales amounts of Animal Feed Products by the Group to COFCO Feed, and (ii) the Group's forecast of an annual increment of about 10% on the sales amount from 2014 to 2016. Furthermore, the Proposed Annual Caps (Procurement) for the three financial years ending 31 December 2014, 2015 and 2016 are determined with reference to (i) the Group's historical purchase volume for the year ended 31 December 2010 (which, as explained below, is considered to be a normal year in the fishmeal industry) of approximately 180,000 metric tons, and (ii) the Group's forecast of an annual increment of approximately 10% on the procurement amount from 2014 to 2016. The Directors are of the opinion that the Proposed Annual Caps set out above are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

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In assessing the fairness and reasonableness of the Proposed Annual Caps, we have reviewed and thoroughly discussed with the Company the basis considered in determining the Proposed Annual Caps.

Proposed Annual Caps (Sales)

With regard to the Proposed Annual Caps (Sales) for the year ending 31 December 2014, as advised by the Company, the Company and COFCO Feed have agreed on an estimation that the maximum volume of Animal Feed Products COFCO Feed may purchase from the Group will amount to approximately 30,000 metric tons, which is based on the Company's estimation that COFCO Feed would contribute up to approximately 15% of the Group's total sales in a normal year in the fishmeal industry. As year 2010 is considered as a normal year in the fishmeal industry (as explained in details below), and the Company expects COFCO Feed to remain as one of the Group's top customers for the year ending 31 December 2014, 15% represents the approximate average sales contribution in volume from the Group's top three customers for the year ended 31 December 2010. 30,000 metric tons is therefore derived by multiplying the Group's total sales in volume of approximately 185,000 metric tons for the year ended 31 December 2010 by approximately 15%. At the time of discussion between the Company and COFCO Feed, the price of fishmeal was approximately US\$1,500 per metric ton. The Proposed Annual Caps (Sales) for the year ending 31 December 2014 of HK\$350,000,000 was therefore derived by multiplying the maximum volume of Animal Feed Products COFCO Feed may purchase from the Group by the prevailing price of fishmeal at the time of discussion.

Despite the actual amount of sales from the Group to COFCO Feed during 2011 and 2012 were below the annual caps, we understand from various discussions with the Company that year 2011 to mid-year 2013 shall not be used as a reference for benchmarking the Company's Proposed Annual Caps (Sales) for the year ending 31 December 2014. As advised by the Company and based on the Company's published financial reports, year 2011 to mid-year 2013 were abnormal years in the fishmeal industry — an unexpected export quota easing from Peru in year 2011 caused the price of fishmeal to quickly tumble, and a combination of an unexpected export quota reduction announced by the government of Peru near the end of year 2012 and unfavorable weather conditions in the PRC in the second quarter of year 2013 caused the price of fishmeal to skyrocket past US\$2,000 per metric ton in April 2013 and dampened the demand for fishmeal, which all induced fear amongst fishmeal traders and significantly cut back on any large scale fishmeal purchases in the market. We have obtained from the Company an independent report issued by the Marine Ingredients Organization on 1 August 2013, which is a recognized international not-for-profit organization that promotes fishmeal worldwide, summarizing recent fishmeal price and export quota information in various countries, including Peru, and the disclosures and statistics in such report are in line with the Company's representations on the recent circumstances in Peru as mentioned above. As a result of the above events, the Group's total revenue from the year

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ended 31 December 2010 to the year ended 31 December 2012 dropped from approximately HK\$2,467.0 million to approximately HK\$1,691.9 million, representing an annual decrease of approximately 17.2%. Based on the sales information provided by the Company, the Group's total sales in volume (including sales to COFCO Feed and to independent third party customers) for the three years ended 31 December 2012 and ten months ended 31 October 2013 amounted to approximately 185,000 metric tons, 158,000 metric tons, 154,000 metric tons and 91,000 metric tons, respectively.

As advised by the Company, 2010 was a relatively normal year in the fishmeal industry and shall instead be used as the reference in benchmarking the Company's Proposed Annual Caps (Sales) for the year ending 31 December 2014 as there was no unexpected export quota easing or tightening from Peru in 2010. Furthermore, based on the export quota announced by the Peru government for the last season of 2013 in early October 2013, we note that the export quota has restored to a healthier level similar to year 2010, and as advised by the Company, this is a good indication that the Peru government is instilling stability in the fishmeal market, and such stability would enable the Group to source a healthy level of fishmeal from Peru near the end of 2013 to be ready for trading in 2014. We have also obtained from the Company the Group's top five customers list for the year ended 31 December 2010 and note that the total volume of fishmeal sold by the Group to the Group's then top customer exceeded 40,000 metric tons, which is above the estimated maximum 30,000 metric tons of Animal Feed Products the Group would sell to COFCO Feed for the year ending 31 December 2014 under the Master Sales & Procurement Agreement. As such, the Company considers the potential sale of approximately 30,000 metric tons of Animal Feed Products to one single customer to be a reasonable maximum sales amount in a normal year in the fishmeal industry.

In determining the Proposed Annual Caps (Sales) for each of the two years ending 31 December 2015 and 2016, the annual increment of approximately 11% was determined with reference to the expected real GDP growth rate in both years 2015 and 2016 in the PRC. We have independently reviewed the relevant statistics in the October 2013 edition of the International Monetary Fund's World Economic Outlook Database (<http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/index.aspx>), which is a reputable international organization, and note that the estimated GDP amounts in current prices in 2014, 2015 and 2016 in the PRC are approximately RMB62,913 billion, RMB69,712 billion and RMB75,937 billion, respectively, representing growth rates in GDP in both years 2015 and 2016 of approximately 10%, which is consistent with the approximately 11% growth in the Proposed Annual Caps (Sales) for each of the two years ending 31 December 2015 and 2016.

Having considered the above, in particular the fact that (i) the Proposed Annual Caps (Sales) for the year ending 31 December 2014 was arrived at after arm's length negotiation between the Company and COFCO Feed after taking into account the prevailing fishmeal price at the time of discussion and a

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maximum sales volume of Animal Feed Products; (ii) based on our understanding of the fishmeal industry from discussions with the Company, year 2011 to mid-year 2013 represented abnormal years in the fishmeal industry and shall not be used as a reference to benchmark the Proposed Annual Caps (Sales) for the year ending 31 December 2014; (iii) the Company's representations on the circumstances in Peru were in line with the contents in an independent report issued by the Marine Ingredients Organization, (iv) the Group sold over 40,000 metric tons of fishmeal to its then top customer for the year ended 31 December 2010, representing over 20% of total sales in volume, and therefore, the Company considers the potential sale of approximately 30,000 metric tons of Animal Feed Products to one single customer to be a reasonable and achievable maximum sales amount in a normal year in the fishmeal industry; (v) as COFCO Feed was consistently one of the Group's top five customers throughout the Review Period and the Company expects COFCO Feed to remain as one of the top customers for the year ending 31 December 2014, using approximately 15% as a proportion of total sales volume to determine the potential volume to be sold to COFCO Feed for the year ending 31 December 2014 is within range of the historical sales contributions from the Group's top three customers for the year ended 31 December 2010; and (vi) the annual increment in Proposed Annual Caps (Sales) for each of the two years ending 31 December 2015 and 2016 was based on the expected GDP growth rate in the PRC and the expectation that the Group's sales will grow in line with such economic growth, we consider that the bases for determining the Proposed Annual Caps (Sales) are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Proposed Annual Caps (Procurement)

With regard to the Proposed Annual Caps (Procurement) for the year ending 31 December 2014, as advised by the Company, the Company and COFCO Feed have agreed on an estimation that the maximum volume of Animal Feed Products the Group may purchase from COFCO Feed will amount to approximately 10,000 metric tons. As the Master Sales & Procurement Agreement would open up the avenue for the Group to source Animal Feed Products from a sizeable player in the PRC and due to the recent volatility in the fishmeal quota from Peru, the Company estimates that the Group's purchase of fishmeal from the PRC for the year ending 31 December 2014 could potentially represent up to 10% of the Group's total purchase volume for the year ended 31 December 2010 (as stated above, year 2010 is considered to be a normal year in the fishmeal industry and is therefore used as a benchmark), out of which approximately half could potentially represent purchase from COFCO Feed. 10,000 metric tons is therefore derived by multiplying the Group's total fishmeal purchase of approximately 180,000 metric tons for the year ended 31 December 2010 by approximately 10% to arrive at the potential total purchase volume from the PRC, then multiplying such amount by approximately 55% to arrive at the potential total purchase volume from COFCO Feed. At the time of discussion between the Company and COFCO Feed, the price of fishmeal was approximately US\$1,500 per metric ton. The Proposed Annual Caps (Procurement) for the year ending 31 December 2014 of HK\$120,000,000

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was therefore derived by multiplying the maximum volume of Animal Feed Products the Group may purchase from COFCO Feed by the prevailing price of fishmeal at the time of discussion.

Historically, apart from sourcing fishmeal mainly from Peru, the Group has also sourced fishmeal from the PRC. We have obtained historical purchase information from the Group for the three years ended 31 December 2012 and for the ten months ended 31 October 2013 and note that purchase of fishmeal from the PRC amounted to approximately 5,000 metric tons, 2,000 metric tons, 5,000 metric tons and 1,200 metric tons, respectively. Furthermore, as stated above, in selecting the supplier from which the Group would source its fishmeal, it is the Group's normal practice to obtain and compare price quotes from alternative sources in the market, sometimes meaning sources from different countries, in order to secure purchases with the most competitive pricing. The COFCO group is one of the leading suppliers of diversified products and services in the agricultural and food industry in the PRC and the Master Sales & Procurement Agreement would allow the Group flexibility to purchase Animal Feed Products from such a large player, given the right pricing terms. Furthermore, given the relatively volatile nature of fishmeal supply from Peru in recent years due to government policies affecting its export quota, going forward, it is to the advantage of the Group to be able to source from a wider selection of suppliers. As such, the Group's purchase of fishmeal from the PRC is expected to increase substantially compared to historical years if the Group is allowed to procure from COFCO Feed under the Master Sales & Procurement Agreement.

In determining the Proposed Annual Caps (Procurement) for each of the two years ending 31 December 2015 and 2016, the average annual increment of approximately 11% was determined with reference to the expected real GDP growth rate in both years 2015 and 2016 in the PRC. We have independently reviewed the relevant statistics in the October 2013 edition of the International Monetary Fund's World Economic Outlook Database (<http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/index.aspx>) and note that the estimated GDP amounts in current prices in 2014, 2015 and 2016 in the PRC are approximately RMB62,913 billion, RMB69,172 billion and RMB75,937 billion, respectively, representing growth rates in GDP in both years 2015 and 2016 of approximately 10%, which is consistent with the approximately 11% growth in the Proposed Annual Caps (Procurement) for each of the two years ending 31 December 2015 and 2016.

Having considered the above, in particular the fact that (i) the Proposed Annual Caps (Procurement) for the year ending 31 December 2014 was arrived at after arm's length negotiation between the Company and COFCO Feed after taking into account the prevailing fishmeal price at the time of discussion and a maximum procurement volume of Animal Feed Products; (ii) there has historically been demand for fishmeal from the PRC; (iii) the COFCO group is one of the leading suppliers of diversified products and services in the agricultural and food industry in the PRC and the Master Sales & Procurement Agreement

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would allow the Group flexibility to purchase Animal Feed Products from such a large player, given the right pricing terms; (iv) export of fishmeal from Peru has been relatively volatile in recent years and it is to the advantage of the Group to be able to source fishmeal from a wider selection of suppliers; (v) it is commercially justifiable for the Group to potentially increase its purchase of fishmeal from the PRC for the year ending 31 December 2014 to 10% of total purchase volume as a result of the opening of the Group's avenue to source Animal Feed Products from COFCO Feed under the Master Sales & Procurement Agreement and the recent volatility in the fishmeal quota from Peru; (vi) as mentioned above, the COFCO group is one of the leading players in supplying agricultural products in the PRC and therefore, we concur with the Company's assumption that given the size of COFCO Feed in the PRC, approximately half of the estimated purchase of fishmeal from the PRC for the year ending 31 December 2014 amounting to 10,000 metric tons could potentially come from COFCO Feed; (vii) the average annual increment in Proposed Annual Caps (Procurement) for each of the two years ending 31 December 2015 and 2016 was based on the expected GDP growth rate in the PRC and that expectation that the Group's procurement will grow in line with such economic growth, we consider that the bases for determining the Proposed Annual Caps (Procurement) are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Notwithstanding the above, we would like to highlight that as the Proposed Annual Caps relate to future events and are based upon assumptions that may or may not remain valid for the whole period up to 31 December 2016, we express no opinion as to how closely the actual volume of sale and procurement of the Animal Feed Products pursuant to the Master Sales & Procurement Agreement shall correspond to the Proposed Annual Caps.

D. Requirements by the Listing Rules regarding the Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Transactions and confirm in the annual report and accounts that the Transactions 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 favorable to the Company than the terms available to or from (as appropriate) independent third parties; and
 - in accordance with the Master Sales & Procurement Agreement and their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Transactions:
- have received the approval of the Board;
 - 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 terms of the relevant agreements governing the Transactions; and
 - have not exceeded the Proposed Annual Caps.
- (c) the Company shall allow, and shall procure the relevant counter-parties to the Transactions shall allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions. The Board must state in the annual report whether its auditors have confirmed the matters stated in paragraph (b); and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the Proposed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company on the terms of the Transactions and the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Transactions and safeguard the interests of the Independent Shareholders.

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RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the Master Sales & Procurement Agreement and the Transactions (including the Proposed Annual Caps) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Group and the Shareholders as a whole, and the terms thereof as well as the Proposed Annual Caps are fair and reasonable so far as the Group and the Independent Shareholders are concerned.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the Master Sales & Procurement Agreement and the Transactions (including the Proposed Annual Caps).

Yours faithfully,
For and on behalf of
Crosby Securities Limited
Alex Lau **Heidi Cheng**
Managing Director *Managing Director*
Corporate Finance *Corporate Finance*

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	Interest in a controlled corporation	138,347,288 (Note 1)	52.87%
John Ming Tak HO	Long position	Family interests	1,076,000 (Note 2)	0.41%

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.
- The 1,076,000 Shares are held by the spouse of Mr. John Ming Tak HO. Mr. John Ming Tak HO is deemed to have interests in these 1,076,000 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	Interest in a controlled corporation (<i>Note</i>)	138,347,288	52.87%
Kwong Fong Holdings Limited	Beneficial owner	710,000	0.27%
	Interest in a controlled corporation (<i>Note</i>)	138,347,288	52.87%
Kwong Fong Industries Corporation	Beneficial owner	8,680,000	3.32%
	Interest in a controlled corporation (<i>Note</i>)	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:

- (i) 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 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up; and

- (ii) 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

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

As disclosed in the profit warning announced by the Company on 5 July 2013 and the announcement of the unaudited interim result for the six months ended 30 June 2013 (the "Period") announced by the Company on 26 August 2013, the net profit for the Period decreased by around 64% to HK\$50 million as compared to the corresponding period in 2012. Such significant decrease was mainly attributable to the share of fair value gain on the investment properties of the Group's associated company amounted to HK\$107,697,000 recorded in six months ended 30 June 2012. The associated company was successfully disposed of in October 2012 and there is no contribution from the same item to the Group in 2013.

Save for the above, 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 2012 (being the date to which the latest published audited accounts of the Company were made up).

6. COMPETING INTERESTS

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. EXPERT CONSENT

The followings are the qualifications of the expert who has given advices or opinions contained in this circular:

Name	Qualification
Crosby Securities Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, Crosby Securities Limited 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.

The letter and recommendation issued by Crosby Securities Limited is given as at the date of this circular for the incorporation herein.

As at the Latest Practicable Date, Crosby Securities Limited 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, Crosby Securities Limited 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 2012, being the date to which the latest published audited financial statements of the Company were made up.

8. 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 & Procurement Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 14 of this circular;
- (c) the letter from Crosby Securities Limited to the Independent Board Committee and to the Independent Shareholders, the text of which is set out on pages 15 to 27 of this circular; and
- (d) the letter of consent referred to under the paragraph headed “Expert and consent” of this appendix.



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, 23 December 2013 at 10:00 a.m. to consider and, if thought fit, pass (with or without modifications) the following resolutions:

ORDINARY RESOLUTIONS

“THAT:

1. the Master Sales & Procurement Agreement dated 4 November 2013 between the Company (for itself and on behalf of each of the CCT Subsidiaries) and COFCO Feed for sales to and procurement from each other the Animal Feed Products during the term of the Master Sales & Procurement Agreement, the Transactions contemplated thereunder and the implementation thereof be and are hereby approved and confirmed; and
2. the Proposed Annual Caps for the Transactions contemplated under the Master Sales & Procurement Agreement for the three years ending 31 December 2014, 2015 and 2016 respectively be and are hereby approved and confirmed.”

By order of the Board
Great China Holdings Limited
John Ming Tak HO
Managing Director

Hong Kong, 5 December 2013

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/it. 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.

NOTICE OF EGM

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. To ascertain Shareholders' eligibility to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 19 December 2013 to Monday, 23 December 2013 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Abacus Limited (at its address shown in Note 2 above) for registration no later than 4:30 p.m. on Wednesday, 18 December 2013.