

# GREAT CHINA INTERNATIONAL HOLDINGS, INC.

## FORM 10-K (Annual Report)

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-K

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2014, or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange act of 1934 for the transition period from to

Commission File No. 0-23015

**GREAT CHINA INTERNATIONAL HOLDINGS, INC.**  
(Exact Name of Registrant as Specified in Its Charter)

Nevada  
(State or Other Jurisdiction of  
Incorporation or Organization)

87-0450232  
(IRS Employer  
Identification No.)

C Site 25-26F President Building, No. 69 Heping North Street  
Heping District, Shenyang 110003, People's Republic of China  
(Address of Principal Executive Offices and Zip Code)

Registrant's Telephone Number: 0086-24-22813888

Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act: Common Stock, Par Value \$0.001

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of voting stock held by non-affiliates on June 30, 2014, based on the average bid and asked prices on that day was \$300,165. As of March 31, 2015, the Registrant had outstanding 14,059,966 shares of common stock, par value \$0.001.

Documents incorporated by reference: None.

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## CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K may contain certain “forward-looking” statements as such term is defined by the Securities and Exchange Commission in its rules, regulations and releases, which represent the Company’s expectations or beliefs, including but not limited to, statements concerning the Company’s operations, economic performance, financial condition, growth and acquisition strategies, investments, and future operational plans. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as “may,” “will,” “expect,” “believe,” “anticipate,” “intent,” “could,” “estimate,” “might,” “plan,” “predict” or “continue” or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by any forward-looking statements.

This annual report contains forward-looking statements, many assuming that the Company resolves its outstanding debt obligations and is able to continue as a going concern, including statements regarding, among other things, (a) negotiating settlement of our outstanding debt obligations, (b) our plans for developing or participating in the development of real estate projects, (c) our opportunities for participating in new real estate projects, (d) our growth strategies, (e) anticipated trends in our industry, (f) our future financing plans, (g) our anticipated need for working capital, (h) the impact of governmental regulation of the real estate industry in China, and (i) the availability of labor and materials for project development. These statements may be found under Item 1. “Business,” “Item 2. Properties” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as in this annual report generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors and matters described in this annual report. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this annual report will in fact occur.

**Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements.**

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## PART I

### ITEM 1. BUSINESS

#### General

Great China International Holdings, Inc. (the “Company,” “we,” or “Great China Holdings”), through its various indirect subsidiaries, has been engaged for more than 25 years in commercial and residential real estate investment, development, sales and/or management in the city of Shenyang, Liaoning Province, in the People’s Republic of China (“PRC”). We conduct all our operation in the People’s Republic of China through our direct and indirect wholly owned subsidiaries; Shenyang Maryland International Industry Company Limited and Silverstrand International Holdings Company Limited.

The Company is currently focused primarily on real estate leasing, management, and consulting activities in the city of Shenyang. There are no development projects underway at this time and no development projects were implemented during 2014. As a result of these circumstances, the Company focused on leasing and property management, which accounted for all of our revenue in 2014.

#### Recent Developments

On March 31, 2015, we completed the sale of 2,300,000 shares of our common stock at a price of US\$3.28 per share, or a total of \$7,544,000, to two non-US business entities. We intend to use the funding for company operations and developments.

Our subsidiary, Shenyang Maryland International Industry Co., Ltd., is in the process of forming a subsidiary company that will engage in the wholesale and retail distribution of prepackaged foods, dietary supplement, daily necessities, disinfection supplies, hygiene products, cosmetics, cleaning products, publications, and other consumer goods and products.

#### Building Leasing and Management Services

Our leasing and management services were conducted in 2014 primarily with respect to real estate projects we developed in prior years. The following is a description of those projects.

- President Building comprises three blocks of commercial buildings, including two commercial towers, situated in Shenyang City, Heping North Street, which is the financial district of Shenyang. While the original intention was to sell the office space, management subsequently decided to retain the majority of the property for leasing purposes. The buildings maintain a high occupancy rate with tenants that are primarily international companies. Great China Holdings’ head office is situated on the 26th Floors of President Building.
- When the President Building was built, it was one of the few commercial buildings in Shenyang that was positioned as premium commercial building. Over the years, a number of commercial buildings were built to fulfill an increasing demand. The President Building maintains its competitiveness mainly with its strong location at the financial center of Shenyang. Tenant satisfaction is closely monitored and maintained through surveys and regular networking meetings. Though minor renovations are ongoing in the Building, we anticipate no major renovations in the near future. The aggregate occupancy rate for the two towers at the end of 2013 and 2014 was 99.36% and 96.32%, respectively, ranked among the highest in Shenyang. The tenants as a whole are engaged in a variety of businesses, including real estate, foreign trade, investment, insurance, e-commerce, media, advertisement, and health care.
- Chenglong Garden, situated in Shenyang Huang Gu District, comprises 12 blocks of modern apartments consisting of 865 residential apartments, a number of retail shops and ancillary facilities including basement car parking facilities and parks. We lease the retail shops and related commercial space, which comprise approximately 3,198 square meters of commercial space.
- The Maryland Building consists of 12,858 square meters, of which 11,743 have been sold and the remaining 1,115 square meters are held for leasing purposes.

#### City of Shenyang

Shenyang is a city of approximately 8.2 million people in Liaoning Province, located in northeastern China (Manchuria), approximately 435 miles northwest of Beijing. The largest city in northeast China, Shenyang is the economic, cultural, transportation and trade center of the region, there being eight industrial cities within a 150-kilometer radius of Shenyang. Shenyang’s Taoxian International Airport is the largest airport in northeast China, and the city also has developed railway and expressway networks. Shenyang is comprised of the following districts: (i) Heping District, better known as “Downtown”; (ii) Shen He District, just east of Downtown; (iii) Huang Gu District, situated directly north of Downtown; (iv) Da Dong District, located northeast of Downtown; (v) Tie Xi District; (vi) Yu Hong District; (vii) Dong Ling District; (viii) Su Jia Tun District; (ix) Hun Nan New District; and (x) Shen Bei New District.

Shenyang is rich in industrial resources. Manufactures include heavy machinery, tractors, motor vehicles, cables, machine tools (Shenyang has one of the largest machine-tool plants in China), transformers, textiles, chemicals, paper products, medicines, and cement. Copper, zinc, and lead are also smelted in the city. Shenyang is also the seat of Liaoning University, Northeastern University, China Medical University, Shenyang Conservatory of Music, and numerous other specialized institutes. In 2014, the gross domestic product in Shenyang increased by 6% from 2013.

Shenyang has experienced rapid renovation in urbanization since the PRC Central Government launched the “Developing the North East” Policy in 2003, and priority was given to Shenyang in the Policy. Shenyang urbanization has led to rapid and steady development in both residential construction and consumption, indicating the likelihood that the Shenyang real estate market will continue to develop and expand. Various Shenyang governmental policies aimed at implementing law and regulations and developing a business law framework have attracted both domestic and overseas investors to invest in Shenyang.

During the first nine months of 2014, consumer spending in Shenyang reached RMB 257.9 billion, which represents a 12.3% increase over the same period in 2013. We believe this indicates Shenyang is a growing urban area with a consumer base that can sustain robust residential and commercial real estate development, sales, leasing and management. Though the current global economic slowdown has had an impact on China and Shenyang, we believe Shenyang will continue to develop at a pace faster than that of the national average.

## **Employees**

The Company currently has 138 employees, 23 of whom are engaged in administration activities, and 115 of whom are engaged in property management activities.

## **Further Information and Reports**

We are required to file with the Securities and Exchange Commission annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports of certain events on Form 8-K, and proxy and information statements disseminated to stockholders in connection with meetings of stockholders and other stockholder actions. Copies of these and any other materials we file with the Commission may be inspected without charge at the public reference facilities maintained by the Commission in Room 1580 – 100 F Street, N.E., Washington, D.C. 20549. Copies of all or any part of our filings may be obtained from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549, upon payment of the prescribed fees. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company’s filings with the Commission are also available through its web site at <http://www.sec.gov>.

## **ITEM 1A. RISK FACTORS**

Disclosure under this item is not required of a smaller reporting company.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 2. PROPERTIES**

### **General**

The Company, through Shenyang Maryland, was engaged in the business of developing residential and commercial real estate projects located in the city of Shenyang. In several of those projects the Company leases space for office and retail uses

- President Building comprises three blocks of commercial buildings, including two commercial towers, situated in Shenyang City, Heping North Street, which is the financial district of Shenyang. While the original intention was to sell a majority of the office buildings, management subsequently decided to retain most of the properties for leasing purposes. The buildings maintain a high occupancy rate with tenants that are primarily international companies. Great China Holdings’ head office is situated on the 26th Floors of President Building.
- Chenglong Garden, situated in Shenyang Huang Gu District, comprises 12 blocks of modern apartments consisting of 865 residential apartments, a number of retail shops and ancillary facilities including basement car parking facilities and parks. We lease the retail shops and related commercial space, which comprise approximately 3,198 square meters of commercial space.

- The Maryland Building consists of 12,858 square meters, of which 11,743 have been sold and the remaining 1,115 square meters are held for leasing purposes.

### The President Building

The Company's President Building, which was completed in 2002, consists of three blocks of commercial towers, each built according to international construction standards, situated in Shenyang City, Heping North Street in the financial district of Shenyang. The project occupies an area of 8,126 square meters on a total construction area of 77,000 square meters, and represents an investment by the Company of RMB 582 million (approximately US\$88.2 million). While the Company's original intention was to sell a majority of the office buildings, management subsequently decided to retain most of the properties for leasing purposes. The buildings maintain a high occupancy rate with tenants who are mostly international companies. The Company's head office is situated on the 26th Floor of President Building.

In June 2007, Shenyang Maryland closed funding under a loan agreement with Shenyang City Commercial Bank (Holdings) Co., Ltd. (Zhongshan Branch) (the "Bank") whereby the Bank agreed to loan RMB 40,000,000, or approximately US\$6,446,830, to Shenyang Maryland for use in connection with renovation of the President Building, repurchase of assets from the Industrial and Commercial Bank of China and other purposes. The principal amount of the loan accrued interest at the rate of 8.775% per annum. The principal and accrued interest was repaid in March 2015.

The Company owes approximately US\$14,795,474 to the bank, as a result of financing transactions that occurred prior to 2007. This loan was due October 13, 2014, but was extended by the bank to October 13, 2015, which was another in a series of annual extensions by the bank. The principal amount of the loan accrued interest at the rate of 10.395% per annum. In March 2015, the Company repaid RMB 30,000,000 (US\$ 4,835,122), leaving a remaining principal of RMB 61,800,000 (US\$ 9,960,352), and the interest rate was set at 7.38% per annum. The loan agreement provides that Shenyang Maryland must notify the Bank of certain material changes in its business that may occur during the term of the loan agreement, provides for penalties in the event of various events of default, and also provides that the amount of the Loan is secured by a pledge of property owned by Shenyang Maryland, including part of the President Building, as security for payment of the loan.

The total area of the President Building owned by the Company is 61,448.74 square meters, and the mortgaged area is 33,423.95 square meters. The realty tax for the President Building is 12% of the total rental income, and the total realty tax for the year 2014 was RMB 3,854,195 (approximately US\$621,183). The mortgage details for the President Building are as follows:

<u>Lender(bank)</u>	<u>Amount of loan (RMB: 000's)</u>	<u>Guaranty (President Building)</u>	<u>Mortgaged Area</u>
Commercial Bank of China Zhongshan Branch	131,800	Block A, 1 st -2 rd floor (axle 1-7)	2930.63
		Block A, 8 th -9 th floor	2195.72
		Block A, 11 th -14 th floor	4380.76
		Block A, 17 th -26 th floor	10925.20
		Block A, 3 rd -4 th floor, (axle 7-11)	5309.63
		Block C, 13 th - 19 th Floor	7682.01
Total mortgaged area			33,423.95

### Qiyun New Village

Qiyun New Village is situated along the Nanyun Riverside and consists of 347 residential units. Qiyun New Village was introduced to the real estate market in 1999. The Company continues to hold approximately 2,186 square meters of retail space and 157 square meters of parking space, which is held for lease.

### The Maryland Building

The Maryland Building is 12,858 square meters in size of which 11,743 square meters have been sold and other remaining 1,115 square meters are held for leasing purposes.

## **ITEM 3. LEGAL PROCEEDINGS**

We are the subject of certain legal matters that we consider incidental to our business activities. It is the opinion of management that the ultimate disposition of these matters will not have a material impact on our financial position, liquidity or results of operations.

**ITEM 4. MINE SAFETY DISCLOSURES**

The disclosure required by this Item 4 is not applicable to the Company's business.

**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

The common stock of Great China Holdings trades in the over-the-counter market under the symbol "GCIH." The following table sets forth for the respective periods indicated the prices of the common stock in the over-the-counter market, as reported and summarized on the OTC Bulletin Board. Such prices are based on inter-dealer bid and ask prices, without markup, markdown, commissions, or adjustments and may not represent actual transactions.

<b>Calendar Quarter Ended</b>	<b>High Bid (\$)</b>	<b>Low Bid (\$)</b>
March 31, 2013	0.15	0.15
June 30, 2013	0.12	0.12
September 30, 2013	0.11	0.11
December 31, 2013	0.03	0.03
March 31, 2014	0.2999	0.03
June 30, 2014	0.11	0.11
September 30, 2014	0.20	0.10
December 31, 2014	0.51	0.21

**Dividends**

We did not make any distributions to shareholders in 2014. Our present intention is to retain any earnings for use in our business activities, so it is not expected that any dividends on the common stock will be declared and paid in the foreseeable future.

**Security Holders**

At April 10, 2015, there were approximately 158 holders of record of our common stock.

**Equity Compensation Plans**

As of December 31, 2014, there were no equity securities authorized for issuance under any of our compensation plans.

**Repurchases of common stock**

There were no repurchases of equity securities by Great China Holdings in the fourth quarter of 2014.

**ITEM 6. SELECTED FINANCIAL DATA**

Disclosure under this item is not required of a smaller reporting company.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Caution Regarding Forward-Looking Information**

The following discussion and analysis should be read in conjunction with our consolidated financial statements prepared in accordance with accounting principles generally accepted in the USA. Unless otherwise indicated, references in this discussion to "we", "our" and "us" are to Great China International Holdings, Inc., and its subsidiaries.

Any statements in this discussion that are not historical facts are forward-looking statements that involve risks and uncertainties; actual results may differ from the forward-looking statements. Sentences or phrases that use such words as "believes", "anticipates", "plans", "may", "hopes", "can", "will", "expects", "is designed to", "with the intent", "potential" and others indicate forward-looking statements, but their absence does not mean that a statement is not forward-looking. This

information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by any forward-looking statements. We do not undertake any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

## **Executive Summary**

Great China International Holdings, through its various subsidiaries, is or has been engaged in commercial and residential real estate leasing, management, consulting, investment, development and sales. We conduct all our operation in the People's Republic of China through our direct and indirect wholly owned subsidiaries; Shenyang Maryland International Industry Company Limited and Silverstrand International Holdings Company Limited.

## **Executive Summary**

Great China International Holdings, through its various subsidiaries, is or has been engaged in commercial and residential real estate leasing, management, consulting, investment, development and sales. We conduct all our operation in the People's Republic of China through our direct and indirect wholly owned subsidiaries; Shenyang Maryland International Industry Company Limited and Silverstrand International Holdings Company Limited.

## **Results of Operations**

Comparison of operations for year ended December 31, 2014 and 2013:

The Company incurred a net loss of \$4,313,420 for 2014, which represents an increase in net loss by \$2,499,022 or 137.7%, compared with a net loss of \$1,814,398 in the same period of 2013. Components resulting in this decrease are discussed below.

Revenues increased by \$291,279 or 3.8% from \$7,694,913 for 2013 to \$7,986,192 for 2014. This increase is mainly a result of the growth of rental income, which increased by \$242,769 or 4.4% from \$5,579,651 for 2013 to \$5,822,420 for the same period of 2014. Rental income increased because the Company raised rental rates.

The cost of revenue decreased by \$162,309 or 2.5% from \$6,451,615 for 2013 to \$6,289,306 for the same period of 2014, which is attributed to the decrease of management fee cost.

The gross margin for the rental business was 13.2% and 9.6% for 2014 and 2013 respectively. This increase was attributable to the company realized higher rental rates, but remained very stable rental cost. The gross margin for the management business was 43.0% and 33.6% for 2014 and 2013, respectively. This increase is mainly attributed to the cost decrease from maintenance in 2014 compared to the same period of 2013.

Selling expenses decreased by \$9,688 or 18.5% from \$52,326 for 2013 to \$42,638 for 2014. This decrease mainly attributed to the decrease of bonus for employees.

General and administrative expenses increased by \$2,576,122 or 140.9% from \$1,828,869 for 2013 to \$4,404,991 for the same period of 2014. The increase is mainly because the Company accrued bad debt provision of \$2,764,078 on loan receivable with the consideration of uncertain collectability of such loan amount.

Depreciation and amortization was \$24,137 and \$18,590 for 2014 and 2013 respectively.

Interest and finance costs was \$2,129,690 and \$1,481,824 in 2014 and 2013 respectively. The increase is mainly because the Company recorded interest income \$650,680 from loans to third parties in 2013 and there was no such amount in 2014.

The Company earned \$181,295 and \$136,643 from disposal of parking lots in 2014 and 2013 respectively, which increased by \$44,652 or 32.7% for 2014 compared with 2013.

Other income, net increased by \$222,585 from \$187,270 for 2013 to \$409,855 for 2014, which is mainly a result of the Company receiving a tax refund of \$162,349 during the second quarter of 2014.

## Cash Flow Discussion

Net cash flows provided by operating activities for 2014 and 2013 were \$1,685,766 and \$1,692,781, respectively. The decrease in net cash flow amounted to \$7,015 or 0.4%, which was due primarily to the below factors:

- the change of advance to suppliers decreased by \$164,203 in 2014 compared with the same period of 2013, and tax payable decrease by \$134,417 in 2014 compared with 2013 due to the Company received tax return in 2014..

Net cash flows used in investing activities were not significant.

Net cash flows provided by financing activities were \$162,306 and negative\$626,279 for 2014 and 2013, respectively, which was mainly related to Beijing Sihai Estate Company loans.

## Liquidity and Capital Resources

Current liabilities exceeded current assets by \$21,352,624 as of December 31, 2014. The Short Term Loans amounted to \$21,242,304, and accounted for about 99.5% of the working capital deficit. Subsequently in March 2015, the Company repaid US\$ 11,281,952 (RMB 70,000,000), leaving a remaining principal of US\$ 9,960,352 (RMB 61,800,000), The rest of the Short Term Loan is due in October 2015, and is secured by the Company's real estate assets. It has become common practice in China, for banks and companies to renegotiate loan extensions on an annual basis. This is driven by the ever changing banking regulatory environment and a situation where banks are becoming more conservative. Under the circumstances, most lending banks have usually worked closely with borrowers for loan extension or restructuring within the administrative guidelines of the government. As State policies are issued outside the control of the banks in China and form part of the macro and micro-economic measures, many bankers and their customers work together to deal with the situation provided the borrowers are responsible.

### Contractual Obligations

The following table was a summary of the Company's contractual obligations as of December 31, 2014:

	<u>Total</u>	<u>Less than one year</u>	<u>1-3 Years</u>	<u>Thereafter</u>
Short-Term Debt	\$ 21,242,304	\$ 21,242,304	\$ -	\$ -
Long-Term Debt				-
Amounts due to related parties	-	-	-	-
Construction commitments	-	-	-	-
Total Contractual Cash Obligations	<u>\$ 21,242,304</u>	<u>\$ 21,242,304</u>	<u>\$ -</u>	<u>\$ -</u>

### Recent accounting pronouncements

There have been no new accounting pronouncements during the year ended December 31, 2014 that are of significance, or potential significance, to the Company.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Disclosure under this item is not required of a smaller reporting company.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Great China Holdings' financial statements appear at the end of this report beginning with the Index to Financial Statements on page F-1, following page 16.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES****Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) under the Exchange Act) that are designed to ensure that information that would be required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As required by Rule 13a-15 under the Exchange Act, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2014. Based on that evaluation, our management concluded that our disclosure controls and procedures were effective as of December 31, 2014.

**Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use, or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the company's internal control over financial reporting was effective as of December 31, 2014. There were no changes in our internal control over financial reporting during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This Annual Report on form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit the company to provide only management's report in this Annual Report.

**Changes in Internal Controls**

There have been no changes in our internal control over financial reporting during the fourth quarter of the fiscal year ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## ITEM 9B. OTHER INFORMATION

None.

## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

### Directors and officers

Set forth in the table below are the names, ages and positions of our current directors and executive officers. None of our directors or executive officers has any family relationship to any other director or executive officer.

Name	Age	Position	Since
Jiang Peng	52	Chairman of the Board of Directors	2008
Sun Dongqing	45	Director and Chief Financial Officer	2008

All executive officers are elected by the board and hold office until their successors are duly elected and qualified. Each director is elected by the stockholders and serves until resignation or election of a successor by the stockholders.

### Biographies

The following is information on the business experience of each of the officers..

Jiang Peng was appointed as a director and as Chairman of the Board in May 2008. Prior to this appointment, he had served in the previous five years as Chairman as General Manager of Shenyang Maryland, a subsidiary of Great China Holdings, where he played a key role in the development of several of our large real estate projects, including Chenglong Garden, Qiyun New Village and the President Building. Jiang Peng is the brother of our largest shareholder, Frank Jiang, and was formerly a Director of the Company from July 2005 to July 2006. Mr. Jiang's long experience with the operations of the Company, specifically, and with the real estate business in the Shenyang market, generally, makes him particularly well qualified to serve as a director and manage the present operations and future development of the Company.

Sun Dongqing has served as a Director and as Chief Financial Officer since May 2008. She graduated from Northeast University in 1991 with a major in Accounting and began her career in 1992 with the Company's affiliate, Maryland International Industry Co., Ltd. During the period 2003-2004, she was Chief Accountant of Shenyang Maryland International Industry Co., Ltd., real estate development branch, responsible for cost accounting, control, tax inspection and coordination with Shenyang Maryland's subsidiaries. From 2005 until her appointment as our Chief Financial Officer, she was Financial Manager of Shenyang Maryland International Industry Co., Ltd. and President Building Management Centre, in charge of the affairs involving, among other things, domestic industry and commerce, taxation, and foreign exchange. Ms. Sun's long experience with the operations of the Company her substantial education and experience with financial and tax matters related to the real estate business in the PRC make her well qualified to serve as a director and manage the present operations and future development of the Company.

### Audit Committee; Financial Expert

The Board of directors has not established an audit committee, so the entire Board of Directors performs the functions associated with an audit committee, including, evaluating financial reporting matters, monitoring internal controls, compliance with internal financial policies, and engaging the registered independent accounting firm to audit the financial statements of Great China Holdings. None of our directors are independent under the definition set forth in Rule 5605(a)(2) of the NASDAQ Listing Rules. The Board of Directors has determined that Sun Dongqing is an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K.

### Director Nominations

The Board of Directors has not made any changes to the procedures by which security holders may recommend nominee's to our Board of Directors.

### Board Leadership Structure

Our Chairman of the Board also performs the functions and duties normally associated with a principal executive officer. The Board of Directors does not have a lead independent director. In light of the Company's level of operations at present and its status as a smaller reporting company, the Board believes the Company's current leadership structure is appropriate. All of our Board members are engaged directly and regularly in the operations of the Company, so we believe the Board is exposed to, or has the opportunity to discover and evaluate, all areas of meaningful risk pertaining to the Company's operations and to manage those risks at acceptable levels for the Company.

## Code of Ethics

Great China Holdings has adopted a Code of Ethics applicable to its Chief Executive Officer and Chief Financial Officer, a copy of which will be provided to any person, free of charge, upon request. A request for a copy of the Code of Ethics should be in writing and sent to Ms. Lang Lang, Great China International Holdings, Inc., C Site 26F President Building, No. 69 Heping North Street, Heping District, Shenyang 110003, The People's Republic of China.

## Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers and directors, and persons who beneficially own more than 10% of Great China Holdings' common stock, to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission. Executive officers, directors and greater than 10% beneficial owners are required by Securities and Exchange Commission regulations to furnish Great China Holdings with copies of all Section 16(a) forms they file. Based solely on Great China Holdings' review of copies of such reports and representations from Great China Holdings' executive officers and directors, and greater than ten-percent beneficial owners, Great China Holdings believes that its executive officers and directors complied with all Section 16(a) filing requirements during the fiscal year ended December 31, 2012.

## ITEM 11. EXECUTIVE COMPENSATION

### Summary Compensation Table

Name and Principal Position	Year	Salary(\$)	All Other Compensation(\$)	Total(\$)
Jiang Peng (1) Chairman of the Board	2014	128,937	--	128,937
	2013	132,151	--	132,151
	2012	128,409	--	128,409
Sun Dongqing, CFO (2)	2014	15,472	--	15,472
	2013	15,858	--	15,858
	2012	15,409	--	15,409

### Discussion of Summary Compensation Table

For his service as Chairman of the Board, Mr. Jiang was paid a monthly salary of RMB 66,667 (approximately US\$10,745) in 2014.

We entered into a standard form employment agreement with Sun Dongqing in 2008, which provided for an initial term of two years and has been renewed annually since 2010. Pursuant to the agreement the Company agreed to pay her a base salary of RMB 8,000 (approximately US\$1,289) per month in 2014.

### Outstanding Equity Awards

There are no outstanding equity awards held by our named executive officers at December 31, 2014.

### Director Compensation Table

There was not compensation paid to our directors in addition to the amounts described above.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth as of April 10, 2015, the number and percentage of the outstanding shares of common stock which, according to the information supplied to Great China International, were beneficially owned by (i) each person who is currently a director, (ii) each executive officer, (iii) all current directors and executive officers as a group, and (iv) each person who, to our knowledge, is the beneficial owner of more than 5% of the outstanding common stock.

Name and Address	Number of Shares	Percent of Class
<b>5% Beneficial Owners</b>		
Frank Jiang C Site 25-26F President Building No. 69 Heping North Street, Heping District Shenyang 110003, People's Republic of China	8,245,447(1)	58.6
East Gate Development (HK) Company Limited Room 4901&4909 49/F, Office Tower Convention Plaza 1 Harbour Road Wanchai HK	2,000,000	14.2
<b>Officers and Directors</b>		
Jiang Peng C Site 25-26F President Building No. 69 Heping North Street, Heping District Shenyang 110003, People's Republic of China	1,085,745(2)	7.7
Sun Dongqing C Site 25-26F President Building No. 69 Heping North Street, Heping District Shenyang 110003, People's Republic of China	0	-0-
All executive officers and directors as a group (2 persons)	1,087,745	7.7

- (1) Includes 67,000 shares held indirectly by Frank Jiang's wife.  
(2) Includes 30,000 shares held indirectly by Jiang Peng's wife.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

**Director Independence**

None of our Directors have been determined to be independent under the definition set forth in Rule 5605(a)(2) of the NASDAQ Listing Rules.

Great China International has not adopted any policy regarding review of transactions with related persons beyond what is provided for in the Nevada Revised Statutes pertaining to corporations. The statutes provide that no contract or transaction between Great China International and one or more of its directors or officers, or between Great China International and any other corporation, firm, association, or other organization in which one or more of its directors or officers are directors or officers or are financially interested, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee that authorizes or approves the contract or transaction, or because their votes are counted for such purpose, provided that:

the material facts as to his, her, or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee and noted in the minutes, and the Board of Directors or committee, in good faith, authorizes the contract or transaction in good faith by the affirmative vote of a majority of disinterested directors, even though the disinterested directors are less than a quorum;

the material facts as to his, her, or their relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved or ratified in good faith by the majority of shares entitled to vote, counting the votes of the common or interested directors or officers; or

the contract or transaction is fair as to Great China International as of the time it is authorized or approved.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Great China Holdings paid or accrued the following fees in each of the prior two fiscal years to its principal accountant:

	<b>Year ended December 31, 2014</b>	<b>Year ended December 31, 2013</b>
1. Audit fees	\$ 81,180	\$ 55,782
2. Audit-related fees	4,500	4,500
3. Tax fees	-0-	-0-
4. All other fees	-0-	-0-
<b>Totals</b>	<b>\$ 85,680</b>	<b>\$ 60,282</b>

Great China Holdings has no formal audit committee. However, as defined in Sarbanes-Oxley Act of 2002, the entire Board of Directors is Great China International's *de facto* audit committee.

In discharging its oversight responsibility as to the audit process, the Board obtained from the independent auditors a formal written statement describing all relationships between the auditors and Great China Holdings that might bear on the auditors' independence as required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees." The Board discussed with the auditors any relationships that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence. The Board also discussed with management, the internal auditors, if any, and Great China International's independent auditors the quality and adequacy of Great China Holdings' internal controls. The Board reviewed with the independent auditors their management letter on internal controls, if one was issued by Great China Holdings' auditors.

The Board discussed and reviewed with the independent auditors all matters required to be discussed by auditing standards generally accepted in the United States of America, including those described in Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees".

The Board reviewed the audited consolidated financial statements of Great China Holdings as of and for the years ended December 31, 2014 and 2013, with management and the independent auditors. Management has the sole ultimate responsibility for the preparation of Great China International's financial statements and the independent auditors have the responsibility for their examination of those statements.

Based on the above-mentioned review and discussions with the independent auditors and management, the Board of Directors approved Great China International's audited financial statements and recommended that they be included in its Annual Report on Form 10-K for the year ended December 31, 2013, for filing with the Securities and Exchange Commission.

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

The following documents are included as exhibits to this report pursuant to Item 601 of Regulation S-K:

**Exhibit No. Title of Document**

- 3.1 Articles of Incorporation (1)
- 3.2 Articles of Amendment effective September 15, 2005 (2)
- 3.3 Bylaws (1)
- 10.1 Loan Agreement dated June 18, 2007 between Shenyang Maryland International Industry Co., Ltd. and Shenyang City Commercial Bank (Holdings) Co., Ltd, Zhongshan Branch (2)
- 10.2 Loan Pledge Agreement dated June 18, 2007 between Shenyang Maryland International Industry Co., Ltd. and Shenyang City Commercial Bank (Holdings) Co., Ltd, Zhongshan Branch (2)
- 10.3 Employment Agreement executed on May 22, 2008 between Great China International Holdings, Inc. and Dongqing Sun (3)
- 10.4 Form of Stock Purchase Agreement dated March 27, 2015
- 14.1 Code of Ethics (4)
- 21.1 List of Subsidiaries (5)
- 31.1 Certification of Chief Executive Officer
- 31.2 Certification of Chief Financial Officer
- 32.1 Certifications of Chief Executive Officer and Chief Financial Officer

(1) These exhibits are incorporated herein by this reference to our registration statement on Form 10-SB, filed with the Securities and Exchange Commission on August 21, 1997.

(2) These exhibits are incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2007.

(3) This exhibit is incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 29, 2008.

(4) As stated elsewhere in this annual report, the Company makes its Code of Ethics available in the manner provided for in Item 406(c) (3) of Regulation S-K.

(5) This exhibit is incorporated herein by this reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission on April 15, 2013.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC.**

Date: April 14, 2015

By /s/ Jiang Peng  
Jiang Peng, Chairman of the Board  
(Principal Executive Officer)

Date: April 14, 2015

By /s/ Sun Dongqing  
Sun Dongqing, Chief Financial Officer  
(Principal Financial and Accounting Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: April 14, 2015

/s/ Jiang Peng  
Jiang Peng, Director

Date: April 14, 2015

/s/ Sun Dongqing  
Sung Dongqing, Director

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**Great China International Holdings, Inc.**

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## Report of Independent Registered Public Accounting Firm

### Board of Directors and Stockholders of

### Great China International Holdings, Inc. and subsidiaries

We have audited the accompanying consolidated balance sheets of Great China International Holdings, Inc. and subsidiaries, as of December 31, 2014 and December 31, 2013, and the related consolidated statements of operation, stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great China International Holdings as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the years ended December 31, 2014 and 2013 in conformity with accounting principles generally accepted in the United States of America.

The Company's consolidated financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has a working capital deficit of \$21,352,624 and \$28,082,034 as of December 31, 2014 and 2013 respectively. In addition, the Company has incurred net loss in each of the two years in the period ended December 31, 2014 of \$4,313,420 and \$1,814,398 respectively. These factors as discussed in Note 3 to the financial statements, raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ *Kabani & Company, Inc.*  
Certified Public Accountants  
Los Angeles, CA

April 15, 2015

**GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

	As of	
	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 8,799,261	\$ 7,115,476
Accounts receivable, net	21,424	9,280
Other receivable, net	629,956	319,457
Other current assets	15,374	16,877
Short-term loan receivable, net	4,029,269	-
Total current assets	13,495,284	7,461,090
Long-term loan receivable, net	-	7,127,872
Property and equipment, net	207,295	227,457
Rental property, net	40,281,831	44,738,745
Total assets	\$ 53,984,409	\$ 59,555,164
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Bank loans	\$ 21,242,304	\$ 21,771,809
Accounts payable	4,566,001	4,680,416
Accrued expenses	7,388	7,671
Other payable	2,208,408	2,230,340
Payable to disposed subsidiaries	839,013	859,927
Advances from tenants	1,449,792	1,359,868
Taxes payable	4,535,002	4,633,092
Total current liabilities	34,847,908	35,543,124
<b>Stockholders' equity:</b>		
Common stock, \$.001 par value 50,000,000 shares authorized, 11,759,966 issued and outstanding as of December 31, 2014 and December 31, 2013	11,760	11,760
Additional paid in capital	4,566,156	4,566,156
Statutory reserve	638,128	638,128
Accumulated other comprehensive income	4,624,890	5,187,009
Retained earnings	9,295,567	13,608,987
Total stockholders' equity	19,136,501	24,012,040
Total liabilities and stockholders' equity	\$ 53,984,409	\$ 59,555,164

The accompanying notes are integral part of these consolidated financial statements.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Revenues</b>		
Rental income	\$ 5,822,420	\$ 5,579,651
Management fee income	<u>2,163,772</u>	<u>2,115,262</u>
Total revenues	7,986,192	7,694,913
<b>Cost of revenues</b>		
Rental cost	5,055,732	5,046,524
Management fee cost	<u>1,233,575</u>	<u>1,405,091</u>
Total cost	<u>6,289,306</u>	<u>6,451,615</u>
Gross profit	1,696,886	1,243,298
<b>Operation expenses</b>		
Selling expenses	42,638	52,326
General and administrative expenses	4,404,991	1,828,869
Depreciation and amortization	<u>24,137</u>	<u>18,590</u>
Total operation expenses	<u>4,471,767</u>	<u>1,899,785</u>
<b>Loss from operations</b>	<u>(2,774,881)</u>	<u>(656,487)</u>
<b>Other income (expense)</b>		
Disposal of parking lots income	181,295	136,643
Other income, net	409,855	187,270
Interest and finance costs	<u>(2,129,690)</u>	<u>(1,481,824)</u>
Total other expense	<u>(1,538,539)</u>	<u>(1,157,911)</u>
<b>Loss before income taxes</b>	(4,313,420)	(1,814,398)
<b>Provision for income taxes</b>	<u>-</u>	<u>-</u>
<b>Net loss</b>	(4,313,420)	(1,814,398)
<b>Other comprehensive loss:</b>		
Foreign currency translation adjustment	<u>(562,119)</u>	<u>706,781</u>
<b>Comprehensive loss</b>	<u>\$ (4,875,539)</u>	<u>(1,107,617)</u>
<b>Net loss per share</b>		
Basic	<u>\$ (0.41)</u>	<u>\$ (0.09)</u>
Diluted	<u>\$ (0.41)</u>	<u>\$ (0.09)</u>
<b>Weighted average number of shares outstanding</b>		
Basic	<u>11,759,966</u>	<u>11,759,966</u>
Diluted	<u>11,759,966</u>	<u>11,759,966</u>

The accompanying notes are integral part of these consolidated financial statements.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES**  
**STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012**

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Statutory Reserve	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount					
<b>Balance, December 31, 2012</b>	11,759,966	\$ 11,760	\$ 4,566,156	\$ 4,480,228	\$ 638,128	\$ 15,423,385	\$ 25,119,657
Net loss for the year ended December 31, 2013	-	-	-	-	-	(1,814,398)	(1,814,398)
Foreign currency translation adjustment	-	-	-	706,781	-	-	706,781
<b>Balance, December 31, 2013</b>	11,759,966	\$ 11,760	\$ 4,566,156	\$ 5,187,009	\$ 638,128	\$ 13,608,987	\$ 24,012,040
Net loss for the year ended December 31, 2014	-	-	-	-	-	(4,313,420)	(4,313,420)
Foreign currency translation adjustment	-	-	-	(562,119)	-	-	(562,119)
<b>Balance, December 31, 2014</b>	<u>11,759,966</u>	<u>\$ 11,760</u>	<u>\$ 4,566,156</u>	<u>\$ 4,624,890</u>	<u>\$ 638,128</u>	<u>\$ 9,295,567</u>	<u>\$ 19,136,501</u>

The accompanying notes are integral part of these consolidated financial statements.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	December 31,	
	2014	2013
<b>Cash flows from operating activities:</b>		
<b>Net loss</b>	\$ (4,313,420)	\$ (1,814,398)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Net cash provided by operating activities		
Depreciation and amortization	3,268,153	3,331,955
Provision for doubtful accounts	2,778,713	99,229
Changes in operating assets and liabilities:		
Accounts receivable and other receivable	(48,518)	(165,476)
Advances to suppliers	(162,847)	1,356
Other current assets	1,100	6,604
Accounts payable and accrued expenses	24,064	6,793
Advances from buyers	123,863	77,643
Income and other taxes payable	14,658	149,075
<b>Net cash provided by operating activities</b>	<b>\$ 1,685,766</b>	<b>\$ 1,692,781</b>
<b>Cash flows used in investing activities:</b>		
Purchase of property & equipment	(631)	(17,012)
Receivable from disposal of property & equipment	-	-
<b>Net cash used in investing activities</b>	<b>(631)</b>	<b>(17,012)</b>
<b>Cash flows from financing activities:</b>		
Loans repayment from the borrowing parties	162,306	1,675,499
Increase of loan receivable	-	(2,952,458)
Interest payment from the borrowing parties	-	650,680
<b>Net cash provided by (used in) financing activities</b>	<b>162,306</b>	<b>(626,279)</b>
Effect of exchange differences	(163,655)	138,368
<b>Net increase in cash and cash equivalents</b>	<b>\$ 1,683,785</b>	<b>\$ 1,187,858</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>\$ 7,115,476</b>	<b>\$ 5,927,618</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 8,799,261</b>	<b>\$ 7,115,476</b>
Supplemental disclosures of cash flow information:		
Interest paid	\$ 2,148,111	\$ 2,136,207
Income taxes	-	-

The accompanying notes are integral part of these consolidated financial statements.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**1. Description of business**

Great China International Holdings, Inc., (the “Company”) was incorporated in the State of Nevada on December 4, 1987, under the name of Quantus Capital, Inc. The Company, through its various subsidiaries, is engaged in commercial and residential real estate leasing, management, consulting, investment, development and sales in the city of Shenyang, Liaoning Province, in the People’ Republic of China (“PRC”).

**2. Summary of significant accounting policies**

**Principles of consolidation**

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company transactions and balances within the Company are eliminated in consolidation.

**Use of estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Foreign currency translation**

The Company uses the United States dollar for financial reporting purposes. The Company’s subsidiaries maintain their books and records in their functional currency - Chinese Yuan Renminbi (CNY), being the primary currency of the economic environment in which their operations are conducted. All assets and liabilities are translated at the current exchange rate, stockholder’s equity are translated at the historical rates and income statement and statement of cash flows items are translated at the average exchange rate for the period. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet. The resulting translation adjustments are reported under other comprehensive as a component of shareholders’ equity.

**Cash and cash equivalents**

The Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

**Allowance for doubtful accounts**

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and other receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. As of December 31, 2014 and December 31, 2013, the Company reserved \$1,817,799 and \$1,868,025 respectively, for other receivable bad debt, and \$705,691 and \$723,282, respectively, for accounts receivable bad debt. The Company also reserved \$4,778,713 and \$2,064,853 respectively for loans receivable as of December 31, 2014 and 2013 respectively.

**Property and equipment**

Property and equipment is being depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line basis over useful lives as follows:

Buildings	8-26 years
Equipment	5 years
Automobile	5 years
Office furniture and fixtures	5 years

Repairs and maintenance costs are normally charged to the statement of operations and other comprehensive income in the year in which they are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalized as an additional cost of the asset.

Property and equipment are evaluated annually for any impairment in value. Where the recoverable amount of any property and equipment is determined to have declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. There were no property and equipment impairments recognized as of December 31, 2014 and December 31, 2013 respectively.

### **Properties held for rental**

Properties include buildings held for rental and land use rights, which are being depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line basis over 20-26 years. As of December 31, 2014 and December 31, 2013, net property held for rental amounted to \$40,281,831 and \$44,738,745 respectively. Accumulated depreciation of rental properties amounted to \$33,350,033 as of December 31, 2014 and \$30,957,503 as of December 31, 2013.

### **Revenue recognition**

Rental income and management fee income – The Company recognizes the rental income on the straight-line basis over the terms of the tenancy agreements. The management fee, including the service fee mainly for property management, maintenance and repair, and security, is recognized quarterly over the terms of the tenancy agreements.

Real estate sales – Revenue from the sales of development properties is recognized by the full accrual method when the sale is consummated. A sale is not considered consummated until (1) the parties are bound by the terms of a contract, (2) all consideration has been exchanged, (3) any permanent financing of which the seller is responsible has been arranged, (4) all conditions precedent to closing have been performed, (5) the seller does not have substantial continuing involvement with the property, and (6) the usual risks and rewards of ownership have been transferred to the buyer. Sales transactions not meeting all the conditions of the full accrual method are accounted for using the deposit method of accounting. Under the deposit method, all costs are capitalized as incurred, and payments received from the buyer are recorded as a deposit liability.

Real estate capitalization and cost allocation – Real estate held for development or sale is stated at cost or estimated net realizable value, whichever is lower. Costs include land and land improvements, direct construction costs and development costs, including predevelopment costs, interest on indebtedness, real estate taxes, insurance, construction overhead and indirect project costs. Selling and advertising costs are expensed as incurred. Total estimated costs of multi-unit developments are allocated to individual units based upon specific identification methods.

Impairment – If real estate is determined to be impaired, it will be written down to its fair market value. Real estate held for development or sale costs include the cost of land use rights, land development and home construction costs, engineering costs, insurance costs, wages, real estate taxes, and interest related to development and construction. All costs are accumulated by specific projects and allocated to residential and commercial units within the respective projects. The Company leases the land for the residential unit sites under land use rights with various terms from the government of the PRC. The Company evaluates the carrying value for impairment based on the undiscounted future cash flows of the assets. Write-downs of inventory deemed impaired would be recorded as adjustments to the cost basis. No depreciation is provided for construction in progress.

### **Other income**

Other income consists of land leveling income, parking lot income, cleaning income and etc. This income was recognized as the services were performed and the settled amount has been paid in accordance with the terms of the agreement.

### **Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income by the weighted-average number of common shares and dilutive potential common shares outstanding during the period.

As of December 31, 2014 and December 31, 2013, respectively, there were no outstanding securities or other contracts to issue common stock, such as options, warrants or conversion rights, which would have a dilutive effect on earnings per share as the effect of options outstanding at that time was anti-dilutive.

### **Income taxes**

The Company accounts for income taxes using an asset and liability approach which allows for the recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the difference are expected to affect taxable income.

The Company records a valuation allowance for deferred tax assets, if any, based on its estimates of its future taxable income as well as its tax planning strategies when it is more likely than not that a portion or all of its deferred tax assets will not be realized.

### **Concentrations of business and credit risk**

Financial instruments that potentially subject the Company to concentrations of credit risk are cash and cash equivalents, accounts receivable and other receivables arising from its normal business activities. The Company places its cash and cash equivalents in what it believes to be credit-worthy financial institutions. The Company maintains large sums of cash in two major banks in China. The aggregate balance in such accounts as of December 31, 2014 was \$8,740,426. There is no insurance securing these deposits in China. The Company has a diversified customer base, most of which are in China.

The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

### **Statement of cash flows**

Cash flows from the Company's operations is calculated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet.

### **Recent accounting pronouncements**

There have been no new accounting pronouncements during the year ended December 31, 2014 that are of significance, or potential significance, to the Company.

### **Reclassifications**

Certain amounts in the 2013 financial statements may have been reclassified to conform to the 2014 presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

### **3. Going concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of its liabilities in the normal course of business. The Company has a working capital deficit of \$21,352,624 and \$28,082,034 as of December 31, 2014 and December 31, 2013, respectively. In addition, the Company has incurred net loss in the period ended December 31, 2014 and December 31, 2013 of \$4,313,420 and \$1,814,398 respectively. As the Company has limited cash flow from operations, its ability to maintain normal operations is dependent upon obtaining adequate cash to finance its overhead, sales and marketing

activities. Additionally, in order for the Company to meet its financial obligations, including salaries, debt service and operations, it has maintained substantial short term bank loans that have historically been renewed each year. The Company's ability to meet its cash requirements for the next twelve months largely depends on the bank loans that involve interest expense requirements that reduce the amount of cash we have for our operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company is in the process of obtaining informal assurance from our current lender that our short term loans will continue to be renewed and further opening dialog with the lender to convert the short term loans to long term loans. Additionally, the Company is assessing its ability to increase rental rates for its leasing business in order to generate additional revenue. Further, the Company is continuing to focus efforts on cost containment to reduce general and administrative expenses. With its relevant hands-on expertise, the Company also plans to expand operations to include property management. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

#### 4. Loans receivable

The company entered into series of collateralized loan agreements with third parties from 2009, the total loan receivable is \$4,029,269 and \$7,127,872 as of December 31, 2014 and December 31, 2013, respectively.

During 2011, the Company entered into a collateralized loan agreement with Beijing Sihai Real Estate Development Ltd., pursuant to which the Company loaned \$2,788,254 due on November 29, 2013, and then resigned the agreement at the same terms due on November 29, 2015. The loan bears interest at a variable rate based on the Peoples' Bank of China lending rate applicable to the period plus 10%. As of the December 31, 2012, the balance of loan receivable was \$3,916,449 according to the updated loan agreement. In 2013, the Company collected \$2,304,742 on the loan, and then again made a loan of \$2,925,249 to Beijing Sihai Real Estate Development Ltd. In 2014, the Company collected \$161,171 on the loan. Although the loan will be due on November 29, 2015, the Company accrued bad debt provision of \$2,764,078 with the consideration of uncertain collectability of the remaining loan balance. On January 19, 2015, the Company subsequently collected \$1,611,707 on the loan. The net loan receivable from Beijing Sihai Real Estate Development Ltd., was \$2,764,078 and \$4,650,049 as of December 31, 2014 and December 31, 2013, respectively.

During 2011, the Company entered into a collateralized loan agreement with Shenyang Landing Concrete Ltd., pursuant to which, the Company loaned \$2,417,561, due on March 27, 2013. The loan bears interest at a variable rate based on the Peoples' Bank of China lending rate applicable to the period. On November 30, 2011, the Company, along with Shenyang Landing Concrete Ltd., reassigned the loan amount to Kaiyuan Hongyun Concrete Admixture Ltd., with the same terms due on November 30, 2013. In August 15, 2013, the loan agreement was extended to August 15, 2015, on the same terms. As of the March 12, 2015, the company collected all the loan receivable from Kaiyuan Hongyun Concrete Admixture Ltd.

During 2009, the Company entered into an uncollateralized loan agreement with Zhongxin Guoan Ltd., pursuant to which the Company loaned \$2,014,634 due on October 30, 2011. The loan bore interest at a variable rate based on the Peoples' Bank of China lending rate applicable to the period. Subsequent to the issuance of the loan, the Company determined that the loan was uncollectible and recorded a reserve on the entire loan amount. Therefore this loan is not included in the loans receivable on the balance sheet. During the fourth quarter of 2011, this loan was reassigned to Shenyang Konggang New City Investment Development Ltd., who is working on a development project with Zhongxin Guoan Ltd. The loan remains uncollateralized and is now due on October 30, 2015. The loan bears interest at a variable rate based on the Peoples' Bank of China lending rate applicable to the period.

#### 5. Property and equipment

Property, Plant & Equipment consisted of the following:

	December 31, 2014	December 31, 2013
Building	\$ 15,811	\$ 16,205
Automobile	1,186,845	1,216,429
Office equipment & Furniture	578,069	593,868
	<u>1,780,725</u>	<u>1,826,502</u>
Accumulated depreciation	(1,573,430)	(1,599,045)
Property and equipment, net	<u>\$ 207,295</u>	<u>\$ 227,457</u>

The Company recorded depreciation expense relating to properties held for rental, as well as property and equipment amounting to \$3,268,153 and \$ 3,329,954 for the months ended December 31, 2014 and 2013, respectively, of which, \$24,137 and \$18,590 were recorded as general and administrative expense, respectively.

As of December 31, 2014, fixed assets and rental property totaling \$31,482,674 were pledged as security for various bank loans totaling \$21,242,304.

#### 6. Accrued expenses

Accrued expenses consisted of the following:

	December 31, 2014	December 31, 2013
Payroll and welfare payable	\$ 2,773	\$ 3,866
Accrued expenses	4,615	3,805
<b>Total</b>	<b>\$ 7,388</b>	<b>\$ 7,671</b>

#### 7. Other payables

Other payables consisted of the following:

	December 31, 2014	December 31, 2013
Customer guarantee deposit	\$ 1,146,627	\$ 1,158,647
Customer deposit for property decoration	17,705	14,016
Miscellaneous payable	1,044,077	1,057,677
<b>Total</b>	<b>\$ 2,208,408</b>	<b>\$ 2,230,340</b>

#### 8. Tax payables

Tax payables consisted of the following:

	December 31, 2014	December 31, 2013
Income tax payable in Mainland China	\$ 1,449,641	\$ 1,485,776
Business tax	647,510	662,066
Land VAT payable	2,418,386	2,478,669
Other levies	19,465	6,581
<b>Total</b>	<b>\$ 4,535,002</b>	<b>\$ 4,633,092</b>

#### 9. Payable to disposed subsidiary

The Company had amounts due to a Loyal Best, a previously disposed of entity, as of December 31, 2014 and December 31, 2013 in the amount of \$839,013 and \$859,927, respectively.

#### 10. Loan Payable

Loans payable (including accrued interest) consisted of the following:

Nature	Due on	Interest per Annum	December 31, 2014	December 31, 2013
Bank loan	6-12-2015	8.775%	\$ 6,446,830	\$ 6,607,529
Bank loan	10-13-2015	10.395%	14,795,474	15,164,280
Less current portion			-	-
			<b>\$ 21,242,304</b>	<b>\$ 21,771,809</b>

The above loans are secured by Company rental properties.



For the year ended December 31, 2014 and 2013, the Company's incurred interest expense of \$2,148,111 and \$ 2,136,207 , respectively.

## 11. Statutory reserve

As stipulated by the Company Law of the People's Republic of China (PRC), net income after taxation can only be distributed as dividends after appropriation has been made for the following:

- i. Making up cumulative prior years' losses, if any;
- ii. Allocations to the "Statutory Surplus Reserve" of at least 10% of income after tax, as determined under PRC accounting rules and regulations, until the fund amounts to 50% of the Company's registered capital;
- iii. Allocations of 5% to 10% of income after tax, as determined under PRC accounting rules and regulations, to the Company's "Statutory Common Welfare Fund", which is established for the purpose of providing employee facilities and other collective benefits to the Company's employees; and statutory common welfare fund is no longer required per the new cooperation law executed in 2006; and
- iv. Allocations to the discretionary surplus reserve, if approved in the stockholders' general meeting.

The Company did not contribute to statutory reserve for the period ended December 31, 2014 and 2013, respectively, due to the net loss incurred for its Chinese operation.

## 12. Segment information

ASC 280 requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

During 2014 and 2013, the Company was organized into two main business segments: (1) Property for sale, and (2) Rental income and Income of management fee of commercial buildings. The following table presents a summary of operating information and certain year-end balance sheet information as of year ended of December 31, 2014 and 2013, respectively.

	December 31	
	2014	2013
Revenues from unaffiliated customers:		
Rental income & Management fee	7,986,192	7,694,913
Consolidated	\$ 7,986,192	7,694,913
Operating income (loss):		
Rental income & Management fee	(2,647,401)	(589,503)
Corporation (1)	(127,480)	(66,984)
Consolidated	\$ (2,774,881)	(656,487)
Net loss before taxes:		
Rental income & Management fee	(4,367,631)	(1,883,785)
Corporation (1)	54,211	69,388
Consolidated	\$ (4,313,420)	(1,814,398)
Identifiable assets:		
Rental income & Management fee	43,351,124	49,138,570
Corporation (1)	10,633,285	10,416,595
Consolidated	\$ 53,984,409	59,555,165
Depreciation and amortization:		
Rental income & Management fee	3,268,153	3,331,955
Corporation (1)		
Consolidated	\$ 3,268,153	3,331,955
Capital expenditures:		
Rental income & Management fee	631	17,012
Consolidated	\$ 631	17,012

(1). Unallocated loss from Operating income (loss) and Net income before provision for income taxes are primarily related to general corporate expenses.



**13. Subsequent event**

On March 31, 2015, the Company completed the sale of 2,300,000 shares of its common stock at a price of US\$3.28 per share, or a total of \$7,544,000, to two non-U.S. unrelated business entities. There are no options or warrants associated, nor conversion features embedded in this transaction.

## STOCK PURCHASE AGREEMENT

**THIS STOCK PURCHASE AGREEMENT** is made as of the \_\_\_\_ day of March, 2015, by and among GREAT CHINA INTERNATIONAL HOLDINGS, INC., a Nevada corporation (the “**Company**”) and [ ● ], a [ ● ] (the “**Investor**”)

### 1. PURCHASE AND SALE OF COMMON STOCK.

- 1.1 Sale and Issuance of Common Stock** . Subject to the terms and conditions of this Agreement, the Investor agrees to purchase and the Company agrees to sell and issue to the Investor, shares of the Company’s Common Stock in the amounts set forth in Appendix A hereto, for the purchase price of US\$ 3.28 per share at the closing as set forth below. The shares of Common Stock to be sold pursuant to this Agreement are collectively referred to herein as the “**Shares** .”
- 1.2 Closing** . The purchase and sale of the Shares shall take place at the offices of the Company at 10:30 a.m., on [ ● ], 2015 or at such other time and place as the Company and the Investor agree upon in writing (which time and place are designated as the “**Closing**”). At the Closing the Company shall deliver to the Investor a certificate or certificates representing the Shares purchased by the Investor against payment of the purchase price set forth in Appendix A by wire transfer of immediately available funds to the account or accounts of the Company previously specified by the Company to the Investor.

### 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth in the SEC Reports as herein defined, the Company hereby represents and warrants as follows:

- 2.1 Organization, Good Standing and Qualification** . The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to carry on its business as currently conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.
- 2.2 Capitalization** . On the date of this Agreement, the authorized common stock of the Company consists of 50,000,000 shares of Common Stock, \$.001 par value (“**Common Stock**”), of which 11,759,966 shares are issued and outstanding. There are no outstanding rights, options, warrants, preemptive rights, convertible securities, rights of first refusal or similar rights for the purchase or acquisition from the Company of any securities of the Company. The Company may issue shares in connection with compensation plans, acquisition of assets and similar transactions from time to time. All outstanding shares have been issued in compliance with applicable state and federal securities laws.
- 2.3 Subsidiaries** . The Company does not presently own or control, directly or indirectly, any interest in any other corporation, association, or other business entity other than the following subsidiaries, each of which is wholly owned by the Company:

Silverstrand International Holdings Limited

Shenyang Maryland International Industry Company Limited

Shenyang Maryland Property Management Center

Shenyang Maryland Consulting Co., Ltd.

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The Company is not a participant in any joint venture, partnership or similar arrangement.

- 2.4 Authorization** . All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations of the Company hereunder and thereunder, and the authorization, issuance, sale and delivery of the Shares being sold hereunder has been taken or will be taken prior to the Closing, and this Agreement constitutes valid and legally binding obligations of the Company, enforceable in accordance with its terms, subject to: (i) judicial principles limiting the availability of specific performance, injunctive relief, and other equitable remedies; (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights; and (iii) limitations on the enforceability of the indemnification provisions herein.
- 2.5 Valid Issuance of Common Stock** . The Shares, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable, and will be free of restrictions on transfer directly or indirectly created by the Company other than restrictions on transfer under this Agreement and under applicable state and federal securities laws.
- 2.6 Governmental Consents** . No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the offer, sale or issuance of the Shares or the consummation of any other transaction contemplated hereby (other than the transactions contemplated in Section 7 hereof), except for the following: (i) filings that may be required under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”); and (ii) the compliance with any other applicable state securities laws, which compliance will have occurred within the appropriate time periods therefor. Based in part on the representations of the Investor set forth in Section 3 below, the offer, sale and issuance of the Shares in conformity with the terms of this Agreement are exempt from the registration requirements of Section 5 of the Securities Act and from any similar requirement under any applicable state law.
- 2.7 Compliance with Other Instruments** . The Company is not in violation or default of any provision of its Articles of Incorporation or Bylaws, each as amended and in effect on and as of the Closing. The Company is not in violation or default of any provision of any instrument, mortgage, deed of trust, loan, contract, commitment, judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound, in any case which would materially adversely affect the condition (financial or otherwise), business, property, assets or liabilities of the Company (a “**Material Adverse Effect**”) or, to the best of its knowledge, of any provision of any federal, state or local statute, rule or governmental regulation which would have a Material Adverse Effect. The execution, delivery and performance of and compliance with this Agreement, and the issuance and sale of the Shares, will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained), or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such provision.

**2.8 SEC Reports; Financial Statements** . The Company has filed all required forms, reports and documents with the United States Securities and Exchange Commission (the “ **Commission** ”) since December 31, 2013 (collectively, the “ **SEC Reports** ”), each of which has complied with applicable requirements of the Securities Act and the Exchange Act. As of their respective dates, none of the SEC Reports, including, without limitation, any financial statements or schedules included therein, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company included in the SEC Reports fairly present in all material respects, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements).

Except as reflected or reserved against in the latest consolidated balance sheet of the Company included in the SEC Reports (the “ **latest balance sheet** ”), the Company and its subsidiaries have no liabilities of any nature (whether arising out of contract, tort, statute or otherwise and whether direct or indirect, accrued, matured or unmatured, asserted or unasserted, absolute, contingent or otherwise) which would be required to be reflected on a balance sheet prepared in accordance with generally accepted accounting principles, except for liabilities incurred in the ordinary course of business since the date of the latest balance sheet which would not, individually or in the aggregate, have a material adverse effect on the Company.

**2.9 Related Party Transactions.** Except as set forth in the SEC Reports and the agreements described herein, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, affiliates, or any affiliate thereof that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act and Exchange Act.

**2.10 Brokers or Finders** . The Company has not agreed to incur, directly or indirectly, any liability for brokerage or finders’ fees, agents’ commissions or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

**2.11 Absence of Certain Changes** . Since September 30, 2014, except as specifically disclosed in the SEC Reports filed on or prior to the date of this Agreement, neither the Company nor any of its subsidiaries has entered into any transaction, or conducted its business or operations, other than in the ordinary course of business consistent with past practice. Since September 30, 2014 except as specifically disclosed in the SEC Reports filed on or prior to the date of this Agreement there has not been any Material Adverse Effect, nor has there been any material adverse change in the ability of the Company to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

**2.12 Regulation S** . The Company has not offered the Shares to any person in the United States, any identifiable groups of U.S. citizens abroad, or to any U.S. Person, as that term is defined in Regulation S under the Securities Act (“ **Regulation S** ”). At the time the offer to purchase the Shares was made by the Investor, the Company and/or its agents reasonably believed the Investor was outside of the United States and was not a U.S. Person. The Company and/or its agents reasonably believe that the transaction has not been pre-arranged with a buyer in the United States. The Company has not engaged in nor will engage in any “Directed Selling Efforts,” i.e., any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Shares being purchased by the Investor.

### **3. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR.**

The Investor hereby represents and warrants that:

- 3.1 Experience** . The Investor is experienced in evaluating companies such as the Company, is able to fend for itself in transactions such as the one contemplated by this Agreement, has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the Investor’s prospective investment in the Company, and has the ability to bear the economic risks of the investment.
- 3.2 Access to Data** . The Investor has received and reviewed information about the Company and has had an opportunity to discuss the Company’s business, management and financial affairs with its management and to review the Company’s facilities. The Investor understands that such discussions, as well as any written information issued by the Company, were intended to describe the aspects of the Company’s business and prospects which the Company believes to be material, but were not necessarily a thorough or exhaustive description. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Investor to rely thereon.
- 3.3 Authorization** . This Agreement when executed and delivered by the Investor will constitute a valid and legally binding obligation of the Investor, enforceable in accordance with its terms, subject to: (i) judicial principles respecting election of remedies or limiting the availability of specific performance, injunctive relief, and other equitable remedies; (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors’ rights; and (iii) limitations on the enforceability of the indemnification provisions herein.
- 3.4 Regulation S** . The Investor is not involved in a plan or scheme designed to evade the registration provisions of the Securities Act, and is not presently, and will not be as of the Closing Date, a “U.S. person” within the meaning of Regulation S. The Investor is purchasing the Shares for its own account and for investment purposes and not with the view towards distribution or for the account of a U.S. Person. The Investor was not formed for the purpose of investing in the Shares. The Investor will acquire the Shares in an “offshore transaction” within the meaning of Regulation S. At the time the offer to purchase the Shares was made, the Investor was outside the United States. At no time was the Investor presented with or solicited by or through any leaflet, public promotional meeting, television advertisement or any other form of general solicitation or advertising or any “directed selling efforts” within the meaning of Regulation S.

The Investor acknowledges that the Shares are being offered and sold to the Investor in reliance on Regulation S and the Company is relying upon the truth and accuracy of the Investor's representations and warranties in order to justify such reliance in connection with the sale of the Shares to the Investor.

#### **4. CONDITIONS OF THE INVESTOR'S OBLIGATIONS AT CLOSING.**

The obligations of the Investor under Section 1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

- 4.1 Representations and Warranties** . The representations and warranties of the Company contained in Section 2 shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except to the extent such representations and warranties speak of an earlier date, in which case such representations and warranties shall be true as of such date (without giving effect to any qualification or limitation of "materiality" or "Material Adverse Effect" contained therein) except when the failure to be true would not have had a Material Adverse Effect.
- 4.2 Performance** . The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before Closing, except when the failure to perform or comply would not have had a Material Adverse Effect.
- 4.3 Compliance Certificate** . The Company shall deliver to the Investor at the Closing a certificate stating that the conditions specified in Section 4.1 and 4.2 have been fulfilled.
- 4.4 Blue Sky** . The Company shall have obtained all necessary permits and qualifications, if any, or secured an exemption therefrom, required by any state or country prior to the offer and sale of the Shares.

#### **5. CONDITIONS OF THE COMPANY'S OBLIGATIONS AT CLOSING.**

The obligations of the Company to the Investor under this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions by the Investor:

- 5.1 Representations and Warranties** . The representations and warranties of the Investor contained in Section 3 shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, except to the extent such representations and warranties speak of an earlier date, in which case such representations and warranties shall be true as of such date (without giving effect to any qualification or limitation of "materiality" or "material adverse effect" contained therein) except when the failure to be true would not have had a material adverse effect on the Investor to consummate the transactions contemplated by this Agreement.

**5.2 Performance** . The Investor shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before Closing, except when the failure to perform or comply would not have had a material adverse effect on the Investor to consummate the transactions contemplated by this Agreement.

**5.3 Payment of Purchase Price** . The Investor shall have delivered the purchase price specified in Section 1 against delivery of the Investor's Shares set forth in Section 1 for the Closing.

**5.4 Blue Sky** . The Company shall have obtained all necessary permits and qualifications, if any, or secured an exemption therefrom, required by any state or country for the offer and sale of the Shares.

**5.5 Proceedings and Documents** . All corporate and other proceedings in connection with the transactions contemplated at the Closing, and all documents and instruments incident to these transactions, shall be reasonably satisfactory in substance to the Company and its counsel.

## **6. MISCELLANEOUS.**

**6.1 Governing Law** . This Agreement shall be governed in all respects by the laws of the State of New York.

**6.2 Successors and Assigns** . Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto; provided, however, that the rights of the Investor to purchase Shares shall not be assignable without the consent of the Company.

**6.3 Entire Agreement; Amendment** . This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this Agreement. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

**6.4 Notices, Etc** . Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

if to [ ● ], to: [ ● ]

Fax: [ ● ]

if to the Company, to:

Jiang Peng

Great China International Holdings, Inc.

C Site 25-26F President Building, No. 69 Heping North Street, Heping District, Shenyang 110003,  
Peoples Republic of China

Fax: [ ● ]

with a copy to:

Latham & Watkins

Unit 2318, China World Trade Office 2

1 Jian Guo Men Wai Avenue

Beijing 100004

People's Republic of China

Attention: Li Jie Han

Fax: +86.10.5965.7001

or to such other address as any party may from time to time specify in writing to the other parties. Any notice shall be effective only upon delivery, which for any notice given by facsimile shall mean notice which has been received by the party to whom it is sent as evidenced by confirmation slip.

**6.5 Delays or Omissions** . No delay or omission to exercise any right, power or remedy accruing to any holder of any Shares upon any breach or default of the Company under this Agreement shall impair any such right, power or remedy of such holder, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any holder of any breach or default under this Agreement, or any waiver on the part of any holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Agreement. All remedies, either under this Agreement or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

**6.6 Certificate Legend** . The Shares which are the subject of this Agreement, and any replacement shares, shall contain a legend substantially as follows:

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER CONTAINED IN THE AGREEMENT DATED AS OF MARCH 28, 2015 BETWEEN THE ISSUER AND THE STOCKHOLDER, AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, AND THESE SHARES MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED HEREBY WILL BE OFFERED ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS, PURSUANT TO THE PROVISIONS OF REGULATION S OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

**6.7 Restrictions on Transfer** . The Investor covenants that, prior to January 1, 2017, the Investor will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any Shares or securities convertible into or exchangeable or exercisable for any Shares, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such aforementioned transaction is to be settled by delivery of the Shares or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement. In addition, the Investor agrees that it will not, prior to January 1, 2017, make any demand for or exercise any right with respect to the registration of any Shares or any security convertible into or exercisable or exchangeable for the Shares.

The Investor acknowledges that the offer and sale of the Shares is not being registered under the Securities Act and that the Shares may not be transferred or sold except in compliance with Regulation S or pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state or foreign securities laws and regulations, as applicable. Unless registered for sale under the Securities Act, the Shares will not be resold to U.S. Persons or within the United States until after the end of a one year restricted period commencing on the date of closing of the purchase of the Shares and otherwise in compliance with Rule 904 of Regulation S. The Investor agrees not to engage in hedging transactions with regard to the Shares unless in compliance with the Securities Act. The Investor agrees that the Shares are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act. The Company is bound by this Agreement to refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration. In connection therewith, the Investor acknowledges that the Company will make a notation on its stock books regarding the restrictions on transfers set forth in this Section 6.7 and will transfer securities on the books of the Company only to the extent not inconsistent therewith.

**6.8 Expenses** . Except as otherwise set forth herein, each of the Company and the Investor shall bear their own expenses incurred on its behalf with respect to this Agreement and the transactions contemplated hereby.

**6.9 Finder's Fee** . The Company and the Investor shall each indemnify and hold the other harmless from any liability for any commission or compensation in the nature of a finder's fee (including the costs, expenses and legal fees of defending against such liability) for which the Company or the Investor, or any of their respective partners, employees, or representatives, as the case may be, is responsible.

- 6.10 Counterparts** . This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.
- 6.11 Severability** . In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party.
- 6.12 Facsimile and PDF Signatures** . This Agreement may be executed by fax or PDF scan. Any signature page delivered by a fax machine, facsimile copy machine or PDF scan shall be binding to the same extent as an original signature page, with regard to any agreement subject to the terms hereof or any amendment thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party which requires it.
- 6.13 Representation on Authority of Signatories** . Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement.

## **7. REGISTRATION OF THE SHARES; COMPLIANCE WITH THE SECURITIES ACT.**

### **7.1 Registration Procedures and Expenses** . The Company shall:

- (a) subject to receipt of necessary information from the Investor, use its reasonable efforts to file with the Commission no later than January 1, 2017 a registration statement (the “ **Registration Statement** ”), which shall be on Form S-3 (except if the Company is not then eligible to register for resale the Shares on Form S-3, in which case such registration shall be on another appropriate form), relating to the sale of the Shares by the Investor from time to time on the facilities of any securities market of which the Common Stock is then traded or in privately-negotiated transactions;
- (b) use its reasonable efforts, subject to receipt of necessary information from the Investor, to cause the Commission to notify the Company of the Commission’s willingness to declare the Registration Statement effective as soon as practicable after the Registration Statement is filed by the Company;
- (c) use its reasonable efforts to promptly prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement effective until the earlier of (i) one year after the effective date of the Registration Statement; (ii) the date on which the Shares may be resold by the Investor without registration and without volume or manner-of-sale restrictions and without current public information by reason of Rule 144 under the Securities Act or any other rule of similar effect; or (iii) such time as all Shares purchased by the Investor under this Agreement have been sold;

- (d) furnish to the Investor with respect to the Shares registered under the Registration Statement (and to each underwriter, if any, of such Shares) such number of copies of prospectuses and such other documents as the Investor may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Shares by the Investor;
- (e) notify the Investor on the day that the Registration Statement is declared effective;
- (f) notify the Investor, at the time when a prospectus relating to the Shares is required to be delivered under the Securities Act, on the day of the happening of any event as a result of which the prospectus included in the Registration Statement contains an untrue statement of a material fact or omits any fact necessary to make the statements in the prospectus not misleading; and, at the request of the Investor, prepare a supplement or amendment to the prospectus so that, when delivered to a purchaser of the Shares, the prospectus, as supplemented or amended, does not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements in the prospectus not misleading, and notify the Investor on the day of the filing of such supplement or amendment;
- (g) cause all such Shares to be listed on any market on which the Company's shares of common stock are traded;
- (h) make available for inspection by the Investor, any underwriter participating in any disposition pursuant to the Registration Statement and any attorney, accountant or other agent retained by the Investor or any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, employees and independent accountants to supply all information reasonably requested by the Investor or any such underwriter, attorney, accountant or agent in connection with the Registration Statement;
- (i) in the event of the issuance of any stop order suspending the effectiveness of the Registration Statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in the Registration Statement for sale in any jurisdiction, notify the Investor on the day of such issuance, use its reasonable efforts promptly to obtain the withdrawal of such order, and notify the Investor on the day of such withdrawal; and
- (j) bear all expenses in connection with the procedures in paragraphs (a) through (i) of this Section 7.1 and the registration of the Shares pursuant to the Registration Statement, other than fees and expenses, if any, of counsel or other advisers to the Investor or underwriting discounts, brokerage fees and commissions incurred by the Investor, if any.

The obligations of the Company under this Section 7.1 shall be suspended at any time the Shares become eligible for resale without volume or manner-of-sale restrictions pursuant to Rule 144.

**7.2 Transfer of Shares After Registration; Regulation M .** The Investor agrees that it will not effect any disposition of the Shares that would constitute a sale within the meaning of the Securities Act, except as permitted under the Securities Act and the rules and regulations promulgated thereunder (the “ **Rules and Regulations** ”), and that it will promptly notify the Company of any changes in the information set forth in the Registration Statement regarding the Investor or its plan of distribution. The Investor has been advised of the requirements of Regulation M under the Exchange Act which may limit the timing of purchase and sales of the Company’s securities during a distribution pursuant to the Registration Statement.

**7.3 Indemnification .** For the purpose of this Section [7.3](#) :

- (i) the term “ **Investor/Affiliate** ” shall mean any affiliates of the Investor and any person who controls the Investor or any affiliate of the Investor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and any underwriter for the Investor; and
  - (ii) the term “ **Registration Statement** ” shall include any final prospectus, exhibit, supplement or amendment included in or relating to, and any document incorporated by reference in, the Registration Statement referred to in Section [7.1](#) .
- (a) The Company agrees to indemnify and hold harmless the Investor and Investor/Affiliate, against any losses, claims, damages, liabilities or expenses, joint or several, to which the Investor or the Investor/Affiliates may become subject, under the Securities Act, the Exchange Act, or any other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any claims or litigation, if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, including the prospectus, financial statements and schedules, and all other documents filed as a part thereof, as amended at the time of effectiveness of the Registration Statement, including any information deemed to be a part thereof as of the time of effectiveness pursuant to paragraph (b) of Rule 430A, or pursuant to Rule 434, of the Rules and Regulations, or the prospectus, in the form first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, or filed as part of the Registration Statement at the time of effectiveness if no Rule 424(b) filing is required (the “ **Prospectus** ”), or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state in any of them a material fact required to be stated therein or necessary to make the statements in the Registration Statement or any amendment or supplement thereto not misleading or in the Prospectus or any amendment or supplement thereto not misleading in the light of the circumstances under which they were made, and will reimburse each the Investor and Investor/Affiliate for any legal and other expenses as such expenses are reasonably incurred by the Investor or the Investor/Affiliate in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon (i) an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Investor expressly for use therein, (ii) the failure of the Investor to comply with the covenants and agreements contained in Section [0](#) or [7.2](#) hereof respecting the sale of the Shares or (iii) any statement or omission in any Prospectus or any amendment or supplement thereto that is corrected in any subsequent Prospectus or any amendment or supplement thereto that was delivered to the Investor prior to the pertinent sale or sales by the Investor.

- (b) The Investor will indemnify and hold harmless the Company, each of the Company's directors, each of the Company's officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any losses, claims, damages, liabilities or expenses to which the Company, each of its directors, each of its officers who signed the Registration Statement, or any of their respective controlling persons may become subject, under the Securities Act, the Exchange Act, or any other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any claim or litigation, if such settlement is effected with the written consent of the Investor) insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon (i) any failure to comply with any applicable prospectus delivery requirements of the Securities Act through no fault of the Company, (ii) any failure to comply with the covenants and agreements contained in Section 0 or 7.2 hereof respecting the sale of the Shares, (iii) any untrue or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements in the Registration Statement or any amendment or supplement thereto not misleading or in the Prospectus or any amendment or supplement thereto not misleading in the light of the circumstances under which they were made, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Prospectus or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company or approved by the Investor expressly for use therein or (iv) any statement or omission in any Prospectus or any amendment or supplement thereto that is corrected in any subsequent Prospectus or any amendment or supplement thereto that was delivered to the Investor prior to the pertinent sale or sales by the Investor, and will reimburse the Company and each of the Company's directors, each of its officers who signed the Registration Statement or controlling person for any legal and other expense reasonably incurred by the Company, each of the Company's directors, each of its officers who signed the Registration Statement or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the liability of any Investor hereunder shall not exceed the net proceeds recognized by the Investor upon the sale of the Shares.

- (c) Promptly after receipt by an indemnified party under this Section 7.3 of notice of the threat or commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 7.3 promptly notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section 7.3 or to the extent it is not prejudiced as a result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with all other indemnifying parties similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and, based upon the advice of such indemnified party's counsel, the indemnified party shall have reasonably concluded that there may be a conflict of interest between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7.3 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, representing the indemnified parties who are parties to such action, plus local counsel, if appropriate) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of action, in each of which cases the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party.

If the indemnification provided for in this Section 7.3 is required by its terms but is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party under paragraphs (a) or (b) of this Section 7.3 in respect to any losses, claims, damages, liabilities or expenses referred to herein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any losses, claims, damages, liabilities or expenses referred to herein in such proportion as is appropriate to reflect the relative benefits received by the Company and the Investor from the purchase and sale of the Shares contemplated by this Agreement and the relative fault of the Company and the Investor in connection with the statements or omissions or inaccuracies in the representations and warranties in this Agreement that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Investor on the other shall be deemed to be in the same proportion as the amount paid by the Investor to the Company pursuant to this Agreement for the Shares purchased by the Investor that were sold pursuant to the Registration Statement bears to the difference (the “**Difference**”) between the amount the Investor paid for the Shares that were sold pursuant to the Registration Statement and the amount received by the Investor from such sale. The relative fault of the Company on the one hand and the Investor on the other shall be determined by reference to, among other things, whether the untrue or alleged statement of a material fact or the omission or alleged omission to state a material fact or the inaccurate or the alleged inaccurate representation and/or warranty relates to information supplied by the Company or by the Investor and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in paragraph (c) of this Section 7.3, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in paragraph (c) of this Section 7.3 with respect to the notice of the threat or commencement of any action shall apply if a claim for contribution is to be made under this paragraph 0; provided, however, that no additional notice shall be required with respect to any threat or action for which notice has been given under paragraph (c) for purposes of indemnification. The Company and the Investor agree that it would not be just and equitable if contribution pursuant to this Section 7.3 were determined solely by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this paragraph. Notwithstanding the provisions of this Section 7.3, no Investor shall be required to contribute any amount in excess of the amount by which the Difference exceeds the amount of any damages that the Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

**IN WITNESS WHEREOF** , the parties have duly and validly executed this Agreement as of the date first above written.

**GREAT CHINA INTERNATIONAL HOLDINGS, INC.**

By:

[NAME]

[TITLE]

[ ● ]

By:

[NAME]

[TITLE]

**APPENDIX A**

**SHARES AND PURCHASE PRICE**

**Investor**  
[●]

**Shares Purchased by the Investor**  
[●]

**Purchase Price Payable to Company**  
US\$[●]

## CERTIFICATION

I, Jiang Peng, Chairman of the Board of Great China International Holdings, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Great China International Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2015

By: /s/ Jiang Peng  
Jiang Peng, Chairman of the Board  
Principal Executive Officer

## CERTIFICATION

I, Sun Dongqing, Chief Financial Officer of Great China International Holdings, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Great China International Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2015

By: /s/ Sun Dongqing  
Sun Dongqing, Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

In connection with the Annual Report of Great China International Holdings, Inc. (the "Company") on Form 10-K for the period ending December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jiang Peng, Chairman of the Board (Principal Executive Officer) of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2015

By: /s/ Jiang Peng  
Jiang Peng, Chairman of the Board  
(Principal Executive Officer)

**Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

In connection with the Annual Report of Great China International Holdings, Inc. (the "Company") on Form 10-K for the period ending December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sun Dongqing, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 14, 2015

By: /s/ Sun Dongqing  
Sun Dongqing, Chief Financial Officer  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Great China International Holdings, Inc. and will be retained by Great China International Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.