GREAT CHINA INTERNATIONAL HOLDINGS, INC.

FORM 10-Q
(Quarterly Report)

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

[ ] 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	**87-0450232**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

C Site 25-26F President Building, No. 69 Heping North Street
Heping District, Shenyang 110003, Peoples Republic of China
(Address of principal executive offices)

0086-24-22813888
(Issuer's telephone number)

Not Applicable
(Former name, address and fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-3 of the Exchange Act). (check one)

Large Accelerated Filer [ ] Accelerated Filer [ ] Non-Accelerated Filer [ ] Smaller Reporting Company [X]

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

State the number of shares outstanding of each of the issuer's classes of common equity: As of April 30, 2015, there were 14,059,966 shares of common stock outstanding.

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GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2015 AND DECEMBER 31, 2014
(UNAUDITED)

	As of	
	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,842,596	$ 8,799,261
Accounts receivable, net	80,446	21,424
Other receivable, net	747,527	629,956
Other current assets	16,044	15,374
Short-term loan receivable, net	-	4,029,269
Total current assets	5,686,613	13,495,284
Long-term loan receivable, net	-	-
Property and equipment, net	203,789	207,295
Rental property, net	39,508,096	40,281,831
Total assets	$ 45,398,498	$ 53,984,409
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank loans	$ 9,969,350	$ 21,242,304
Accounts payable	4,568,513	4,566,001
Accrued expenses	10,568	7,388
Other payable	2,231,847	2,208,408
Payable to disposed subsidiaries	839,771	839,013
Advances from tenants	1,627,478	1,449,792
Taxes payable	4,561,632	4,535,002
Total current liabilities	23,809,159	34,847,908
Stockholders' equity:		
Common stock, $.001 par value 50,000,000 shares authorized, 14,059,966 and 11,759,966 issued and outstanding as of March 31, 2015 and December 31, 2014	14,060	11,760
Additional paid in capital	12,107,856	4,566,156
Subscription receivable	(4,610,000)	-
Statutory reserve	638,128	638,128
Accumulated other comprehensive income	4,607,540	4,624,890
Retained earnings	8,831,755	9,295,567
Total stockholders' equity	21,589,339	19,136,501
Total liabilities and stockholders' equity	$ 45,398,498	$ 53,984,409

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 and 2014
(UNAUDITED)

	2015	2014
Revenues		
Rental income	$ 1,367,187	$ 1,711,812
Management fee income	534,690	543,387
Total revenues	1,901,878	2,255,199
Cost of revenues		
Rental cost	1,106,711	1,141,627
Management fee cost	434,969	496,543
Total cost	1,541,680	1,638,170
Gross profit	360,198	617,029
Operation expenses		
Selling expenses	7,218	12,975
General and administrative expenses	373,151	452,152
Depreciation and amortization	5,015	4,511
Total operation expenses	385,385	469,639
Loss from operations	(25,187)	147,390
Other income (expense)		
Disposal of parking lots income	-	-
Other income, net	48,895	34,656
Interest and finance costs	(487,519)	(532,462)
Total other expense	(438,625)	(497,806)
Loss before income taxes	(463,812)	(350,416)
Provision for income taxes	-	-
Net loss	(463,812)	(350,416)
Other comprehensive loss:		
Foreign currency translation adjustment	(17,350)	(628,743)
Comprehensive loss	$ (481,162)	(979,159)
Net loss per share		
Basic	$ (0.04)	$ (0.03)
Diluted	$ (0.04)	$ (0.03)
Weighted average number of shares outstanding		
Basic	11,785,522	11,759,966
Diluted	11,785,522	11,759,966

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(UNAUDITED)

	March 31, 2015	March 31, 2014
Cash flows from operating activities:		
Net loss	$ (463,812)	$ (350,416)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Net cash provided by operating activities		
Depreciation and amortization	815,139	815,536
Provision for doubtful accounts	-	-
Changes in operating assets and liabilities:		
Accounts receivable and other receivable	(126,674)	(185,842)
Advances to suppliers	(48,321)	-
Other current assets	(652)	1,013
Accounts payable and accrued expenses	23,171	205,083
Advances from tenants	175,364	(215,719)
Income and other taxes payable	22,405	(229,753)
Net cash provided by operating activities	$ 396,621	$ 39,903
Cash flows used in investing activities:		
Purchase of property & equipment	(1,315)	(638)
Net cash used in investing activities	(1,315)	(638)
Cash flows from financing activities:		
Loans repayment from the borrowing parties	4,009,760	-
Loans paid to the bank	(11,227,327)	-
Proceeds from stock issuance, net of offering costs	2,934,000	-
Net cash used in financing activities	(4,283,567)	-
Effect of exchange rate change on cash and cash equivalents	(68,404)	(166,224)
Net decrease in cash and cash equivalents	$ (3,956,665)	$ (126,960)
Cash and cash equivalents, beginning of period	$ 8,799,261	$ 7,115,476
Cash and cash equivalents, end of period	$ 4,842,596	$ 6,988,517
Supplemental disclosures of cash flow information:		
Interest paid	$ 493,112	$ 534,849
Income taxes	-	-

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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

Unaudited Interim Financial Information

The accompanying unaudited financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the interim periods are not necessarily indicative of the results for any future period. These statements should be read in conjunction with the Company's audited financial statements and notes thereto for the fiscal year ended December 31, 2014. The results of the three months periods ended Mar 31, 2015 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2015

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 March 31, 2015 and December 31, 2014, the Company reserved $1,819,441 and $1,817,799 respectively, for other receivable bad debt, and $706,328 and $705,691, respectively, for accounts receivable bad debt. The Company also reserved $4,783.030 and $4,778,713 respectively for loans receivable as of March 31, 2015 and December 31, 2014 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 March 31,2015 and December 31, 2014 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 March 31, 2015 and December 31, 2014, net property held for rental amounted to $39,508,096 and $40,281,831 respectively. Accumulated depreciation of rental properties amounted to $34,190,284 as of March 31, 2015 and $33,350,033 as of December 31, 2014.

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.

On March 31, 2015, the Company had issued 2,300,000 shares of common stock to two non-U.S. unrelated business entities, the basic and diluted weighted-average number of common shares are 11,766,267 and 11,759,966 as of March 31, 2015 and December 31, 2014, respectively.

Stock issuance

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. The Company had received $2,934,000 from these two entities, and the remaining subscription payment of $4,610,000 was received on April 14, 2015. There are no options or warrants associated, nor conversion features embedded in this transaction.

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 March 31,2015 was $1,855,485. 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 as the date of March 31, 2015 that are of significance, or potential significance, to the Company.

Reclassifications

Certain amounts in the 2014 financial statements may have been reclassified to conform to the 2015 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 $18,122,546 and $21,352,624 as of March 31,2015 and December 31, 2014, respectively. In addition, the Company has incurred net loss in the period ended March 31,2015 and December 31, 2014 of $463,812 and $4,313,420 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 $0 and $4,029,269 as of March 31, 2015 and December 31, 2014, respectively.

During 2011, the Company entered into a collateralized loan agreement with Beijing Sihai Real Estate Development Ltd.(Sihai), 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%. During 2011-2015 the Company loaned more money to Sihai through reassigned the agreement and also received part of loan payment from Sihai. As of March 31, 2015, the balance of loan capital was $2,766,575. Although the loan will be due on November 29, 2015, the Company accrued bad debt pr ovision of $2,766,575 with the consideration of uncertain collectability of the remaining loan balance. The net loan receivable from Sihai, was $0 and $2,764,078 as of March 31, 2015 and December 31, 2014, respectively.

During 2011, the Company entered into a collateralized loan agreement with Shenyang Landing Concrete Ltd., pursuant to which, the Company loaned $2,419,745, 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 31, 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 $2,016,454 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:

	March 31, 2015	December 31, 2014
Building	$ 15,825	$ 15,811
Automobile	1,187,917	1,186,845
Office equipment & Furniture	579,418	578,069
	1,783,160	1,780,725
Accumulated depreciation	(1,579,371)	(1,573,430)
Property and equipment, net	$ 203,789	$ 207,295

The Company recorded depreciation expense relating to properties held for rental, as well as property and equipment amounting to $815,139 and $ 815,536 for the months ended March 31,2015 and 2014, respectively, of which, $5,015 and $4,511 were recorded as general and administrative expense, respectively.

As of March 31, 2015, fixed assets and rental property totaling $30,451,195 were pledged as security for various bank loans totaling $9,969,350.

6. Accrued expenses

Accrued expenses consisted of the following:

	March 31, 2015	December 31, 2014
Payroll and welfare payable	$ 3,812	$ 2,773
Accrued expenses	6,756	4,615
Total	$ 10,568	$ 7,388

7. Other payables

Other payables consisted of the following:

	March 31, 2015	December 31, 2014
Customer guarantee deposit	$ 1,159,961	$ 1,146,627
Customer deposit for property decoration	17,721	17,705
Miscellaneous payable	1,054,166	1,044,077
Total	$ 2,231,847	$ 2,208,408

8. Tax payables

Tax payables consisted of the following:

	March 31, 2015	December 31, 2014
Income tax payable in Mainland China	$ 1,450,951	$ 1,449,641
Business tax	656,037	647,510
Land VAT payable	2,420,571	2,418,386
Other levies	34,073	19,465
Total	$ 4,561,632	$ 4,535,002

9. Payable to disposed subsidiary

The Company had amounts due to a Loyal Best, a previously disposed of entity, as of March 31,2015 and December 31, 2014 in the amount of $839,771and $839,013, respectively.

10. Loan Payable

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

Nature	Due on	Interest per Annum	March31, 2015	December 31, 2014
Bank loan	6-12-2015	8.775%	$ 6,452,654	$ 6,446,830
Bank loan	10-13-2015	10.395%	3,516,696	14,795,474
Less current portion			-	-
			$ 9,969,350	$ 21,242,304

The above loans are secured by Company rental properties.

For the year ended March 31, 2015 and 2014, the Company's incurred interest expense of $493,112 and $534,849 , 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 March 31,2015 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 2015 and 2014, 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 March 31,2015 and 2014, respectively.

		March 31	
		2015	2014
Revenues from unaffiliated customers:			
Rental income & Management fee		1,901,878	2,255,199
Consolidated	$	1,901,878	2,255,199
Operating income (loss):			
Rental income & Management fee		23,733	197,731
Corporation (1)		(48,920)	(50,340)
Consolidated	$	(25,187)	147,390
Net loss before taxes:			
Rental income & Management fee		(414,827)	(334,284)
Corporation (1)		(48,985)	(16,132)
Consolidated	$	(463,812)	(350,416)
Identifiable assets:			
Rental income & Management fee		42,418,105	57,349,099
Corporation (1)		2,980,393	69,072
Consolidated	$	45,398,498	57,418,171
Depreciation and amortization:			
Rental income & Management fee		815,139	815,536
Corporation (1)			
Consolidated	$	815,139	815,536
Capital expenditures:			
Rental income & Management fee		1,315	638
Consolidated	$	1,315	638

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

Item 2. 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; Silverstrand International Holdings Company Limited ("Silverstrand")., Shenyang Maryland International Industry Company Limited ("Maryland"),,and Shenyang Ai ZhuangTrading Co., Ltd ("Ai Zhuang").Ai Zhuang was established during the quarterly period ended March 31, 2015 to engage in wholesale and retail distribution of consumer products including food products, dietary supplements, household products and publications, etc. Ai Zhuang has not started business operation as of March 31, 2015.

Recent Development

Effective April 27, 2015, Great China International Holdings, Inc., entered into a Cooperation Agreement with FT Solution Co., Ltd., a Japanese company. Pursuant to the Cooperation Agreement, the Company is investing approximately $224,473 (26.5 million Japanese Yen) for approximately 53% of shares in a joint venture which will engage in the distribution of a variety of consumer products including food products, dietary supplements, over-the-counter medications, and daily necessities, etc. It has not started business operation thus far.

Results of Operations

Comparison of operations for three months periods ended March 31, 2015 and 2014:

The Company incurred a net loss of $463,812 for thefirst quarter of 2015, which represents a decrease in net loss by $113,396 or 32.4%, compared with a net loss of $350,416 in the same period of 2014. Components resulting in this decrease are discussed below.

Revenues decreased by $353,321 or 15.7% from $2,255,199 for the first quarter of 2014 to $1,901,878 for the same period of 2015. The decrease is mainly due to that rental income decreased by $344,625 or 20.1% from $1,711,812 for the first quarter of 2014 to $1,367,187 for the same period of 2015 due to more vacancies in our rental properties.

The cost of revenue decreased by $96,490 or 5.9% from $1,638,170 for the first quarter of 2014 to $1,541,680 for the same period of 2015, which is attributed to the decrease of management fee cost.

The gross margin for the rental business was 19.1% and 33.3% for the first quarter of 2015 and 2014 respectively. This decrease is attributable to the company gained less rental income from rental business but remained stable in rental cost. The gross margin for the management business was 18.7% and 8.6% for the first quarter of 2015 and 2014, respectively. This increase is mainly attributable to the cost decrease from maintenance in 2015 compared to the same period of 2014.

Selling expenses decreased by $5,757 or 44.4% from $12,975 for the first quarter of 2014 to $7,218 for the same period of 2015. This decrease mainly attributes to the decrease of bonus for employees.

General and administrative expenses decreased by $79,001 or 17.5% from $452,152 for the first quarter of 2014 to $373,151 for the same period of 2015. The decrease is mainly because the Company optimized expenses payment control system to reduce unnecessary expenses payment.

Depreciation and amortization is $5,015 and $4,511 for the first quarter of 2015 and 2014 respectively.

Interest and finance costs was $487,519 and $532,462 for the first quarter of 2015 and 2014 respectively. The decrease is mainly because the interest cost relating with bank loan decreased along with the Company made a loan payment $11,227,327 to bank in March.

Other income, net increased by $14,239 from $34,656 for the first quarter of 2014 to $48,895 for the same period of 2015, which is mainly a result of the Company receiving a penalty from one customer in first quarter of 2015..

Cash Flow Discussion

Net cash flows provided by operating activities for the first quarter of 2015 and 2014 were $396,621 and $39,903, respectively. The increase in net operating activities cash flow amounted to $356,718 or 894.0%, which is due primarily to the below factors:

- the change of advance from tenants increased by $391,083 or 181.3% for the first quarter of 2015 compared with the same period of 2014 due to the Company received more rent from rental business in the first quarter of 2015 than the same period of 2014;

  The change of tax payable increased by $252,158 or 109.8% for the first quarter of 2015 compared with the same period of 2014.

Net cash flows used in investing activities were not significant.

Net cash flows used in financing activities were $4,283,567 and $0 for the first quarter of 2015 and 2014, respectively, the change is mainly because the below factors:

The Company made a bank loan repayment $11,227,327(RMB 70,000,000) to the bank in March;and the Company collected loan $4,009,760 from third parties and also the Company received Proceeds $2,934,000 from common stock issuance which closed in March 31,2015.

Liquidity and Capital Resources

Current liabilities exceeded current assets by $18,122,546 as of March 31,2015. The Short Term Loans amounted to $9,969,350 (RMB 61,800,000), and accounted for about 55.0% of the working capital deficit. In March 2015, the Company repaid US$$11,227,327 (RMB 70,000,000), leaving a remaining principal of US$ 9,969,350 (RMB 61,800,000), The rest of the Short Term Loan is due in June and 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 March 31, 2015:

	Total	Less than one year	1-3 Years	Thereafter
Short-Term Debt	$ 9,969,350	$ 9,969,350	$ -	$ -
Long-Term Debt				-
Amounts due to related parties	-	-	-	-
Construction commitments	-	-	-	-
Total Contractual Cash Obligations	$ 9,969,350	$ 9,969,350	$	$ -

Recent accounting pronouncements

There have been no new accounting pronouncements during the year ended March 31,2015 that are of significance, or potential significance, to the Company.

PART II. OTHER INFORMATION

Item 6. Exhibits

Copies of the following documents are included or furnished as exhibits to this report pursuant to Item 601 of Regulation S-K.

Exhibit No.	SEC Ref. No.	Title of Document
31.1	31	The certification of chief executive officer and chief financial officer required by Rule 13a-14 (a) or Rule 15d-14(a)
32.1	32	The certifications required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350

SIGNATURES

In accordance with 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: May 15, 2015

By /s/ Frank Jiang
Frank Jiang, CEO
(Principal Executive Officer)
(Principal Financial and Accounting Officer)

Certification

I, Frank Jiang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great China International Holdings, Inc. for the period ended March 31, 2015;

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(s) 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)) of 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 an 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(s) 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: May 15, 2015

By: /s/ Frank Jiang
Frank Jiang, CEO
(Principal Executive Officer)
(Principal Financial and Accounting 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 Quarterly Report of Great China International Holdings, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank Jiang, Principal Executive Officer and Principal Financial and Accounting 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: May 15, 2015

By: /s/ Frank Jiang
Frank Jiang, CEO
(Principal Executive 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.