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, 2012, 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	**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, 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 29, 2012, based on the average bid and asked prices on that day was 121,439. As of March 29, 2013, the Registrant had outstanding 11,759,966 shares of common stock, par value $0.001.

Documents incorporated by reference: None.

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 20 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 2012. As a result of these circumstances, the Company focused on leasing and property management, which accounted for all of our revenue in 2012.

Leasing and Management Services

Our leasing and management services were conducted in 2012 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 25th and 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 2011 and 2012 was 98.4% and 98.5%, 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 heath 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 11,310 have been sold and the remaining 1,548 square meters are held for leasing purposes.

City of Shenyang

Shenyang is a city of approximately 8.1 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 2012, the gross domestic product in Shenyang increased by 11%, which is 3.2% higher than the national gross domestic product.

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.

In 2012, consumer spending in Shenyang reached RMB 241.7 billion. 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 140 employees, 23 of whom are engaged in administration activities, and 117 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 25th and 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 11,310 have been sold and the remaining 1,548 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 25th and 26th Floors 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$6,420,443, 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 bears interest at the rate of 8.775% per annum. The principal has not been repaid, while the accrued interest on the loan has been repaid on time. The principal on the loan was due on June 12, 2012, but was extended by the Bank to June 12, 2013, which was another in a series of annual extensions by the bank. In addition to this loan, the Company also owes approximately US$14,734,916, to the bank, as a result of financing transactions that occurred prior to 2007. This additional loan was due October 13, 2012, but was extended by the bank to October 13, 2013, which was another in a series of annual extensions by the bank. The principal amount of the loan bears interest at the rate of 10.395% 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 2012 was RMB 4,066,929.22 (approximately US$ 652,787.15). The mortgage details for the President Building are as follows:

Lender(bank)	**Amount of loan (RMB: 000's)**	**Guaranty (President Building)**	**Mortgaged Area**
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

Chenglong Garden

Chenglong Garden, situated in Shenyang Huanggu 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. The project is situated near Beiling Park, schools and Hymall and Megamart. All the residential apartments were sold as of December 31, 2010 There are still 4,683.54 square meters commercial space held for lease, and a few parking lots for sale

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. All residential properties and parking space in Qiyun New Village were sold as of December 31, 2012. The company continues to hold approximately 2,185.97 square meters of retail space for lease.

The Maryland Building

The Maryland Building is 12,858 square meters in size of which 11,310 square meters have been sold and other remaining 1,548 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.

Calendar Quarter Ended	High Bid ($)	Low Bid ($)
March 31, 2011	0.25	0.25
June 30, 2011	0.15	0.15
September 30, 2011	0.16	0.16
December 31, 2011	0.16	0.05
March 31, 2012	0.05	0.05
June 30, 2012	0.05	0.05
September 30, 2012	0.20	0.05
December 31, 2012	0.20	0.20

Dividends

We did not make any distributions to shareholders in 2012 or 2011. 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 March 29, 2013, there were approximately 157 holders of record of our common stock.

Equity Compensation Plans

As of December 31, 2012, 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 2012.

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

(1) 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.

(2) 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.

(3) Results of Operations

Comparison of operations for the 12-month periods ended December 31, 2012 and 2011:

The Company incurred a net loss of $2,326,526 for the year ended December 31, 2012, a change of $5,515,053, or 173%, compared with the net income of 3,188,527, in 2011. Components resulting in this increase are discussed below.

Sales revenues increased by $243,118 or 3.42% from $7,108,668 for 2011 to $7,351,786 for 2012. For 2012 both the rental income and management fee income increased from 2011. Rental income increased by $171,294 or 3.34% from $5,129,695 in 2011 to $5,300,989 in 2012, which is largely attributable to the Company increasing rental rates in 2012. Management fee income increased by $71,825 or 3.63% from $1,978,973 for 2011 to $2,050,798 for 2012.

There is no meaningful change of cost of revenue for 2012 compared with same period of 2011; it is $6,291,369 and $6,176,659 in 2012 and 2011 respectively.

The gross profit for the rental business was 10% and 8% in 2012 and 2011, respectively. This increase is attributed to an increase of rental fees while the cost of revenue for the rental business remained unchanged. The gross profit for the management business essentially remained unchanged; at 25.07% and 25.66% in 2012 and 2011, respectively.

Selling expenses decreased by $15,137 or 21.09% from $71,787 for 2011 to $56,650 for 2012, this is attributed to a decrease in bonus compensation paid to employees in 2012 compared to 2011.

General and administrative expenses decreased by $48,061, or 2.56% from $1,876,688 for 2011 to $1,828,627 for 2012. The decrease is a result of cost savings measures.

Depreciation expense decreased by $16,753 or 15.85% from $105,667 for 2011 to $88,914 for 2012. This decrease was mainly due to the Company's disposal of some fixes assets in 2012.

Interest and finance costs increased by $75,284 or 3.72% from $2,023,340 for 2011 to $2,098,624 for 2012, which is primarily a result of the Company accruing more interest cost in 2011 than 2012 and exchange rate differences.

The Company earned $1,047,959 and $476,265 income from disposal of parking lots in 2011 and 2012 respectively, which decreased by $571,694 or 55%.

The Company had an $5,049,321 of income, from a tax on the Silvertrand Company being determined to be non-applicable in 2011, but there is no similar event in 2012.

(4) Cash Flow Discussion

Net cash flows provided by operating activities for 2012 and 2011 were $765,571and $1,588,834, respectively. The decrease amounted to $823,263 or 52%, which was due to the below factors:

The main factor was the Company's disposal of parking lots and non-applicable tax of Silvertrand Company in 2011, which earned $1,047,959 and $5,049,321 respectively, compared to 2012 in which the Company earned $476,265 from the disposal of parking lots and nothing from non-applicable tax of Siverstrand.

Net cash flows used in investing activities for the year of 2012 were not significant.

Net cash flows from financing activities were negative $1,109,614 and negative $5,132,960 during 2012 and 2011, respectively. The decrease is due to the Company made loans to third party substantially less in 2011 compared to 2012.

(5) Liquidity and Capital Resources

Current liabilities exceeded current assets by $28,131,960 as of December 31, 2012. The Short Term Loans amounted to $21,155,359, the loan accounted for about 75% of the working capital deficit. They are bank loans due in June 2013 and October 2013, respectively, and 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.

(6) Contractual Obligations

The following table was a summary of the Company's contractual obligations as of December 31, 2012:

	Total	**Less than one year**	**1-3 Years**	**Thereafter**
Short-Term Debt	$ 21,155,359	$ 21,155,359	$ -	$ -
Long-Term Debt				-
Amounts due to related parties	-	-	-	-
Construction commitments	-	-	-	-
Total Contractual Cash Obligations	$ 21,155,359	$ 21,155,359	$	$ -

Recent accounting pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, which requires entities to present information about significant items reclassified out of accumulated other comprehensive income (loss) by component either on the face of the statement where net income is presented or as a separate disclosure in the notes to the financial statements. This ASU is effective for the Company in the first quarter of fiscal 2014. We do not expect the adoption will have a significant impact on our consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, which amends how companies test for impairment of indefinite-lived intangible assets. The new guidance permits a company to assess qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount as a basis for determining whether it is necessary to perform the annual impairment test. The ASU is effective for the Company in the first quarter of fiscal 2014. We do not expect the adoption will have a significant impact on our consolidated financial statements.

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 18.

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, 2011. Based on that evaluation, our management concluded that our disclosure controls and procedures were effective as of December 31, 2011.

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 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, 2011. There were no changes in our internal control over financial reporting during the quarter ended December 31, 2011 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 year ended December 31, 2011 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	49	Chairman of the Board of Directors	2008
Sun Dongqing	42	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 Shengyang 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 25-26F 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)	2012	128,409	--	128,409
Chairman of the Board	2011	127,107	--	127,107
	2010	121,212	--	121,212
Sun Dongqing, CFO (2)	2012	15,409	--	15,409
	2011	14,300	--	14,300
	2010	10,909	--	10,909

Discussion of Summary Compensation Table

For his service as Chairman of the Board, Mr. Jiang was paid a monthly salary of 66,667 RMB (approximately US$10,701) in 2012.

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 8,000 RMB (approximately US$1,284) per month in 2012.

Outstanding Equity Awards

There are no outstanding equity awards held by our named executive officers at December 31, 2012.

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 March 29, 2013, 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
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)	70.1
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)	9.2
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)	9,331,192	79.3

(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:

	Year ended December 31, 2012	Year ended December 31, 2011
1. Audit fees	$ 85,000	$ 104,752
2. Audit-related fees	-0-	4,500
3. Tax fees	-0-	-0-
4. All other fees	-0-	-0-
Totals	$ 85,000	$ 109,252

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, 2012 and 2011, 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, 2012, 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)
14.1	Code of Ethics (4)
21.1	List of Subsidiaries
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.

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 15, 2013	By /s/ Jiang Peng Jiang Peng, Chairman of the Board (Principal Executive Officer)
Date: April 15, 2013	By /s/ Sung Dongqing Sung 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 15, 2013	/s/ Jiang Peng Jiang Peng, Director
Date: April 15, 2013	/s/ Sung Dongqing Sung Dongqing, Director

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Consolidated Financial Statements
Great China International Holdings, Inc.

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, 2012 and December 31, 2011, and the related consolidated statements of operation, stockholders' equity, and cash flows for the years ended December 31, 2012 and 2011. 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, 2012 and 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and 2011 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 $28,131,960 and $27,643,654 as of December 31, 2012 and 2011 respectively. In addition, the Company has negative cash flow for each of the two years in the period ended December 31, 2012 of $366,882 and $3,289,571 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, California
April 15, 2013

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2011

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,927,618	$ 6,294,500
Accounts receivable, net	-	12,782
Other receivable, net	255,400	233,634
Total current assets	6,183,018	6,540,916
Long-term loan receivable	6,308,085	5,131,953
Property and equipment, net	229,061	313,679
Rental property, net	46,714,472	49,420,220
Total assets	$ 59,434,635	$ 61,406,768
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank loans	$ 21,155,359	$ 20,940,911
Accounts payable	4,552,396	4,515,394
Accrued expenses	57,337	165,418
Other payable	2,114,703	2,031,351
Payable to disposed subsidiaries	835,579	834,371
Advances from tenants	1,244,753	1,327,291
Taxes payable	4,354,853	4,369,834
Total current liabilities	34,314,978	34,184,571
Total liabilities	34,314,978	34,184,571
Stockholders' equity:		
Common stock, $.001 par value 50,000,000 shares authorized, 11,759,966 issued and outstanding as of Dec. 31 2012 and Dec. 31,2011	11,760	11,760
Additional paid in capital	4,566,156	4,566,156
Statutory reserve	638,128	638,128
Accumulated other comprehensive income	4,480,228	4,256,243
Retained earnings	15,423,385	17,749,911
Total stockholders' equity	25,119,657	27,222,198
Total liabilities and stockholders' equity	$ 59,434,635	$ 61,406,768

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE INCOME/(LOSS)
FOR THE YEARS ENDED DECMBER 31, 2012 AND 2011

	December 31, 2012	December 31, 2011
Revenues		
Rental income	$ 5,300,989	$ 5,129,695
Management fee income	2,050,798	1,978,973
Total revenues	7,351,786	7,108,668
Cost of revenues		
Rental cost	4,754,751	4,705,568
Management fee cost	1,536,618	1,471,090
Total cost	6,291,369	6,176,659
Gross profit	1,060,417	932,010
Operation expenses		
Selling expenses	56,650	71,787
General and administrative expenses	1,828,627	1,876,688
Depreciation and amortization	88,914	105,667
Total operation expenses	1,974,191	2,054,142
Loss from operations	(913,774)	(1,122,133)
Other income (expense)		
Disposal of parking lots income	476,265	1,047,959
Other income, net	209,606	236,719
Interest and finance costs	(2,098,624)	(2,023,340)
Total other income, net	(1,412,752)	(738,661)
Loss before income taxes	(2,326,526)	(1,860,794)
Benefit from income taxes	-	5,049,321
Net (loss) income	(2,326,526)	3,188,527
Other comprehensive (loss) income:		
Foreign currency translation adjustment	223,985	1,291,605
Comprehensive (loss) income	$ (2,102,541)	$ 4,480,132
(Loss) earnings per share		
Basic	$ (0.18)	$ 0.38
Diluted	$ (0.18)	$ 0.38
Weighted average number of shares outstanding		
Basic	11,759,966	11,759,966
Diluted	11,759,966	11,759,966

Basic and diluted earnings per share are the same because there is no dilutive effect.

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(AUDITED)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Statutory Reserve	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount					
Balance, December 31, 2010	11,759,966	$ 11,760	$ 4,566,156	$ 2,964,637	$ 638,128	$ 14,561,384	$ 22,742,065
Net income for the year ended December 31, 2011	-	-	-	-	-	3,188,527	3,188,527
							-
Foreign currency translation adjustment	-	-	-	1,291,605	-	-	1,291,605
							-
Balance, December 31, 2011	11,759,966	$ 11,760	$ 4,566,156	$ 4,256,243	$ 638,128	$ 17,749,911	$ 27,222,198
Net loss for the year ended December 31, 2012	-	-	-	-	-	(2,326,526)	(2,326,526)
Foreign currency translation adjustment	-	-	-	223,985	-	-	223,985
Balance, December 31, 2012	11,759,966	$ 11,760	$ 4,566,156	$ 4,480,228	$ 638,128	$ 15,423,385	$ 25,119,657

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

GREAT CHINA INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	December 31, 2012	December 31, 2011
Cash flows from operating activities:		
Net (loss) income	$ (2,326,526)	$ 3,188,527
Adjustments to reconcile net loss to net cash provided by operating activities:		
Net cash provided by operating activities		
Depreciation and amortization	3,311,883	3,292,581
Relief of income tax payable	-	(5,049,321)
Provision for doubtful accounts	-	142,332
Changes in operating assets and liabilities:		
Accounts receivable and other receivable	(15,098)	(23,315)
Advances to suppliers	(8,718)	(2,319)
Accounts payable and accrued expenses	(59,497)	12,791
Advances from buyers	(94,936)	2,492
Income and other taxes payable	(58,974)	25,066
Net cash provided by operating activities	$ 765,571	$ 1,588,834
Cash flows from investing activities:		
Purchases of property & equipment	(12,060)	(1,007)
Net cash used in investing activities	$ (12,060)	$ (1,007)
Cash flows from financing activities:		
Loans repayment	317,032	-
Increase of loans receivable	(1,426,646)	(5,132,960)
Net cash used in financing activities	$ (1,109,614)	$ (5,132,960)
Effect of exchange differences	(10,779)	254,556
Net decrease in cash and cash equivalents	$ (366,882)	$ (3,289,571)
Cash and cash equivalents, beginning of period	$ 6,294,500	$ 9,584,071
Cash and cash equivalents, end of period	$ 5,927,618	$ 6,294,500
supplemental disclosures of cash flow information:		
Interest paid	$ 2,098,752	$ 2,030,085
Income taxes	$ -	$ -

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

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, 2012 and 2011, the Company reserved $1,717,221 and $1,699,814 respectively, for other receivable bad debt, and $702,802 and $695,678, respectively, for accounts receivable bad debt. The Company also reserved $2,006,388 and $1,986,050 respectively for loans receivable.

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, 2012 and December 31, 2011 respectively.

Real estate held for development or sale

The Company capitalizes as real estate held for development or sale, the direct construction and development costs, property taxes, interest incurred on costs related to land under development and other related costs (i.e. engineering, surveying, landscaping, etc.) until the property reaches its intended use. As of the December 31, 2010, except the parking spaces, all the merchantable real estates of Qiyuan New Village, Peacock Garden, Chenglong Garden had been sold. As of December 31, 2012 and December 31, 2011, real estate held for development or sale amounted to zero.

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, 2012 and December 31, 2011, net property held for rental amounted to $46,714,472and $49,420,220, respectively. Accumulated depreciation of rental properties amounted to $26,861,418as of December 31, 2012 and $23,402,215 as of December 31, 2011.

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, of which land leveling income was a one-time service performed at the request of our customers. 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 per share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings 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, 2012 and December 31, 2011, 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, 2012 was $ 5,927,618. 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

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, which requires entities to present information about significant items reclassified out of accumulated other comprehensive income (loss) by component either on the face of the statement where net income is presented or as a separate disclosure in the notes to the financial statements. This ASU is effective for the Company in the first quarter of fiscal 2014. We do not expect the adoption will have a significant impact on our consolidated financial statements.

In July 2012, the FASB issued ASU 2012-02, which amends how companies test for impairment of indefinite-lived intangible assets. The new guidance permits a company to assess qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount as a basis for determining whether it is necessary to perform the annual impairment test. The ASU is effective for the Company in the first quarter of fiscal 2014. We do not expect the adoption will have a significant impact on our consolidated financial statements.

Reclassifications

Certain amounts in the 2011 financial statements may have been reclassified to conform to the 2012 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 $28,131,960 and $27,643,654 as of December 31, 2012 and December 31, 2011, 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 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

During 2011, the Company entered into a collateralized loan agreement with Beijing Sihai Real Estate Development Ltd., pursuant to which the Company loaned $2,276,841, due on November 29, 2013. The loan bears interest at a variable rate based on the Peoples' Bank of China lending rate applicable to the period plus 10%. $321,022 of repayment from Beijing Sihai Real Estate Development Ltd was received during 2012 first quarter and then the Company loaned $1,444,599 to Beijing Sihai Estate Development Ltd on November 30, 2012 again. The long-term loan receivable was $6,308,085 as of December 31, 2012 and $5,131,953 as of December 31, 2011, respectively.

During 2011, the Company entered into a collateralized loan agreement with Shenyang Landing Concrete Ltd. Company, pursuant to which, the Company loaned $2,407,666, 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 and Kaiyuan Hongyun Concrete Admixture Ltd. with the same terms.

During 2009, the Company entered into an uncollateralized loan agreement with Zhongxin Guoan Ltd., pursuant to which the Company loaned $2,006,388, 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. 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 November 24, 2013. 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, 2012	December 31, 2011
Building	$ 15,746	$ 15,587
Automobile	1,181,987	1,170,005
Office equipment & Furniture	562,240	555,469
	1,759,973	1,741,061
Accumulated depreciation	(1,530,913)	(1,427,382)
Property and equipment, net	$ 229,061	$ 313,679

The Company recorded depreciation expense relating to properties held for rental, as well as property and equipment amounting to $3,308,464 and $3,292,581for the year ended of 2012 and 2011, respectively, of which, $88,914 and $105,667 were recorded as general and administrative expense, respectively.

As of December 31, 2012, fixed assets and rental property totaling $31,353,814 were pledged as security for various bank loans totaling $21,155,359.

6. Accrued expenses

Accrued expenses consisted of the following:

	December 31, 2012	December 31, 2011
Payroll and welfare payable	$ 4,043	$ 112,083
Accrued expenses	53,294	53,335
Total	$ 57,337	$ 165,418

7. Other payables

Other payables consisted of the following:

	December 31, 2012	December 31, 2011
Customer guarantee deposit	$ 1,090,677	$ 1,044,960
Customer deposit for property decoration	14,422	19,042
Miscellaneous payable	1,009,604	967,349
Total	$ 2,114,703	$ 2,031,351

8. Tax payables

Tax payables consisted of the following:

	December 31, 2012	December 31, 2011
Income tax payable in Mainland China	$ 1,230,221	$ 1,217,751
Business tax	669,202	685,396
Land VAT payable	2,408,488	2,390,499
Other levies	46,942	76,188
Total	$ 4,354,853	$ 4,369,834

In 2007, the Company sold its interest in Loyal Best, a subsidiary of the Company, booking a gain and the corresponding income tax of $5,049,321. GCIH initially acquired Loyal Best to obtain land use rights for development of real estate assets. Based on an assessment from the taxing authority in Hong Kong, the Company was determined to not be liable for income taxes payable in Hong Kong of $5,049,321 during the year-ended December 31, 2011 .

9. Payable to disposed subsidiary

The Company had amounts due to a Loyal Best, a previously disposed of entity, as of December 31,2012 and December 31, 2011 in the amount of $835,579 and $834,371, respectively.

10. Loan Payable

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

Nature	Due on	Interest per Annum		December 31, 2012		December 31, 2011
Bank loan	6-12-2013	8.775%	$	6,420,443	$	6,355,360
Bank loan	10-13-2013	10.395%		14,734,916		14,585,551
Less current portion				-		-
			$	21,155,359	$	20,940,911

The above loans are secured by Company rental properties.

As of December 31, 2012 and 2011, the Company's accrued interest and finance cost amounted to $2,098,624 and $2,023,340 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.

iv. Allocations to the discretionary surplus reserve, if approved in the stockholders' general meeting.

The Company did not contribute to statutory reserve for the year of 2012 and 2011, 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 2012 and 2011, 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 six months ended of December 31,2012 and2011, respectively.

	DEC 31 2012	2011
Revenues from unaffiliated customers:		
Selling of properties	$	
Rental income & Management fee	7,351,786	7,108,668
Consolidated	$ 7,351,786	7,108,668
Loss from operations:		
Selling of properties	$	(105,414)
Rental income & Management fee	(812,859)	456,672
Corporation (1)	(100,915)	(1,473,391)
Consolidated	$ (913,774)	(1,122,133)
Net loss before taxes:		
Selling of properties	$	(2,128,754)
Rental income & Management fee	(2,907,759)	456,672
Corporation (1)	581,233	(188,713)
Consolidated	$ (2,326,526)	(1,860,794)
Identifiable assets:		
Selling of properties	$	$ 3,267
Rental income & Management fee	50,376,743	$ 49,953,146
Corporation (1)	9,057,892	$ 11,450,356
Consolidated	$ 59,434,635	$ 61,406,768
Depreciation and amortization:		
Selling of properties	$	
Rental income & Management fee	88,914	$ 100,766
Corporation (1)		
Consolidated	$ 88,914	$ 100,766
Capital expenditures:		
Selling of properties	$ -	
Rental income & Management fee	12,060	3,362
Corporation (1)		
Consolidated	$ 12,060	3,362

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

Exhibit 21.1

SUBSIDIARIES OF GREAT CHINA INTERNATIONAL HOLDINGS, INC.

Name	**State or Jurisdiction**
Silverstrand International Holdings Limited	Hong Kong, PRC
Shenyang Maryland International Industry Company Limited	Liaoning. PRC
Shenyang Maryland Property Management Center	Liaoning. PRC
Shenyang Maryland Consulting Co., Ltd.	Liaoning. PRC

Exhibit 31.1

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(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)) 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 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: April 15, 2013

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(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)) 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 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: April 15, 2013

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

Exhibit 32.1

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 year ended December 31, 2012, as filed with the Securities and Exchange Commission (the "Report"), I, Jiang Peng, Chairman of the Board (Principal Executive Officer) of the Company, certify, 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 result of operations of the Company.

Date: April 15, 2013

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 year ended December 31, 2012, as filed with the Securities and Exchange Commission (the "Report"), I, Sun Dongqing, Chief Financial Officer of the Company, certify, 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 result of operations of the Company.

Date: April 15, 2013

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.