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Great China Holdings Limited **大中華集團有限公司**

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

Discloseable Transaction – Acquisition of Properties

On 29 October 2004, Poppins, by entering into the Agreement with Yinpu and Runshuo, acquired the Properties from the Bank. The aggregate consideration of RMB 20,800,000 (around HK\$ 19,622,640) for the Properties has been or will be satisfied by: (1) a down payment of RMB 14,560,000 that was paid when the Agreement was signed and (2) the balance of RMB 6,240,000 in a lump sum that will be paid within 15 days after the issue of the Aggregate Ownership Certificate of the Properties.

If the total cost of the Promised Procedures exceeds RMB 16,000,000, Poppins will bear Yinpu's share of the excess.

On 29 October 2004, Poppins Properties (Shanghai) Company Limited (“Poppins”, in Chinese: 博平置業(上海)有限公司), a wholly owned subsidiary of Great China Holdings Limited (“the Company”, and with its subsidiaries collectively, “the Group”), entered into a Joint Investment Agreement (“the Agreement”) with Shanghai Yinpu Property Development Company Limited (“Yinpu”, in Chinese: 上海銀浦房地產開發有限公司) and Shanghai Runshuo Enterprise Development Company Limited (“Runshuo”, in Chinese: 上海潤燦企業發展有限公司). According to the Agreement, Yinpu has arranged for Poppins to acquire from China Construction Bank, Shanghai Branch (“the Bank”) all 5 apartment units on each of the 17th, 23rd and 27th Floors, and one or two other units on any of the 16th to 28th Floors, Merry Tower, No 168 Zhenning Road, Jingan District, Shanghai, the People's Republic of China (“the Properties”). It is agreed that the aggregate gross floor area of the Properties will be about 2,770.59 square metres, representing 25% of the total gross floor area of all the units on the 16th to 28th floors of Merry Tower (“the Upper Floors”). Yinpu has also arranged for Runshuo to acquire from the Bank units representing around 10% of the total gross floor area of the Upper Floors.

The aggregate consideration for the Properties is RMB 20,800,000, which was determined with reference to the market value of the Properties as recorded at a public auction in July 2004 and after arm's length negotiation between Poppins and Yinpu. The consideration has been or will be satisfied by the Group's internal source of fund in the following manner: (1) a down payment of RMB 14,560,000 that was paid when the Agreement was signed and (2) the balance of RMB 6,240,000 in a lump sum that will be paid within 15 days after the issue of the Aggregate Ownership Certificate of the Properties.

For the purpose of obtaining the Aggregate Ownership Certificates of the Upper Floors, Yinpu, Poppins and Runshuo have jointly appointed Shanghai Merry Tower Longdu Grand Hotel Limited (“the Hotel”, in Chinese: 上海美麗園龍都大酒店有限公司) to complete the procedures of (a) settling the related Land Transfer Fee and (b) installing the necessary utility facilities for the Upper Floors ((a) and (b) together, “the Promised Procedures”). The estimated total cost of the Promised Procedures is RMB 16,000,000. It is agreed that this sum will be shared among Yinpu, Poppins and Runshuo in the ratio of 65:25:10. In case the actual cost exceeds RMB 16,000,000, Poppins will bear Yinpu’s share of the excess. This condition is considered reasonable in view of (1) the potential return offered by the re-sale of the Properties, and (2) the possibility of and the extent of an actual excess. Basing on Poppins’ experience in a similar project as detailed below, RMB 16,000,000 is a fair and realistic estimate for the total cost of the Promised Procedures.

A separate announcement will be made if the actual total cost of the Promised Procedures exceeds RMB 16,000,000. The Stock Exchange has indicated that Poppins’s share of the excess cost of the Promised Procedures will be added to the aggregate consideration when finalizing the classification of the Agreement according to rule 14.06.

The Company confirms that, to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, Yinpu, Runshuo, the Bank, the Hotel and their respective ultimate beneficial owners are third parties independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

INFORMATION RELATED TO THE TRANSACTION

The principal business activities of the Group are (1) property investment in Hong Kong, China and Canada and (2) general trading. The principal business activity of Yinpu is property development in China. The principal business activity of Runshuo is property investment in China.

Yinpu obtained at a public auction in July 2004 the title to the Upper Floors from the Bank at an aggregate consideration of RMB 83,200,000, including a commission of RMB 3,200,000 payable to the auctioneer. The total gross floor area of the Upper Floors is 11,082.36 square metres. The Properties acquired by Poppins represent 25% of the gross floor area of the Upper Floors. The aggregate consideration of RMB 20,800,000 for the Properties equals to 25% of the aggregate consideration of RMB 83,200,000 of the Upper Floors.

Yinpu, prior to the completion of the acquisition of the Upper Floors, has made arrangements with the Bank to let Poppins acquire the Properties directly from the Bank.

In order to make the Properties available for sale to the public, Poppins must first obtain the Aggregate Ownership Certificate of the Properties. It is estimated that the total cost involved in obtaining such a Certificate will be around RMB 4,500,000.

Poppins acquired at an auction in October 2000 the 6th to 15th floors of Merry Tower (“the Lower Floors”). Poppins has on its own completed the installation of all necessary utility facilities and settled the corresponding Land Transfer Fee, and has obtained the Aggregate Ownership Certificate of the Lower Floors. Poppins has been selling individual apartment units on the Lower Floors to the public since 2002.

According to the records of Poppins, the average sale price for the past three months for units on the Lower Floors is RMB 15,248 per square metre. The aggregate consideration for the Properties together with the cost to be incurred for the corresponding Aggregate Ownership Certificate sum up to an average cost of RMB 9,132 per square metre. Basing on Poppins' experience in the re-sale of the Lower Floors and taking into account all further costs necessary for bringing the Properties into a marketable condition, it is expected the re-sale of the Properties to the public will generate a reasonable return to the Group.

The directors believe that the terms of the transaction are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

A circular containing details of the acquisition will be sent to the shareholders of the Company as soon as possible.

For and on behalf of the Board
John Ho Ming Tak
Managing Director

Hong Kong, 3 November 2004

The directors of the Company as at the date of this announcement are: Mr Rustom Ho Ming Yu (Chairman) and Mr John Ho Ming Tak (Managing Director) as Executive Directors; Mr Chiu Chui Yi as Non-executive Director; and Mr Lawrence Yu Kam Kee, Mr David Yu Hon To and Mr Wu Hsu Chou as Independent Non-executive Directors.

Please also refer to the published version of this announcement in China Daily.