

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# **GREAT CHINA HOLDINGS LIMITED**

## **大中華集團有限公司**

*(Incorporated in Hong Kong under the Companies Ordinance)*  
(Stock Code: 0141)

A subsidiary of the Group entered into a Sale and Purchase Agreement on 11 September 2006 to sell, subject to certain conditions, a property in Canada at a consideration of CAD1,815,000 (approximately HK\$12,705,000). All the conditions had been removed on 26 September 2006 and the Agreement has since become unconditional. The sale constituted a Discloseable Transaction under the Listing Rules.

### **Discloseable Transaction – Disposal of a Property**

On 11 September 2006 Canadian time, 549653 BC Limited (“BC”), a wholly owned subsidiary of Great China Holdings Limited (“the Company”, and with its subsidiaries collectively, “the Group”), entered into a Sale and Purchase Agreement (“the Agreement”), whereby BC agreed, subject to certain conditions, to sell to Mr Louis Salkind (“the Buyer”) the property commonly known as Penthouse Suite 1904, 1379 Howe Street, Vancouver, Canada (“the Property”). All the conditions stipulated in the Agreement had been removed on 26 September 2006 and the Agreement has since become unconditional.

The aggregate value of the consideration for the Property was CAD1,815,000 (approximately HK\$12,705,000), which was determined after arm’s length negotiation between the parties. Reference has also been made to the market prices of comparable properties. The consideration will be satisfied by (1) a deposit of CAD50,000 (approximately HK\$350,000) that will be received within 48 hours after removal of the conditions, and (2) the balance of CAD1,765,000 (approximately HK\$12,355,000) that will be received when the transaction is completed on 12 October 2006.

The Property has been vacant for more than five years. The book value of the Property was HK\$9,088,973 as at 30 June 2006. Since the Property is classified as Properties Held for Sale, no depreciation is necessary. The sum of all transaction costs is estimated to be CAD80,000 (approximately HK\$560,000). Therefore, it is expected that the sale of the Property will bring to the Group a gain before tax of around HK\$3,000,000.

The principal business activities of the Group are property investment and general trading. The Company confirms that, to the best of the directors' knowledge, information and belief, having made all reasonable enquiries, the Buyer is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Taking into consideration the rises in interest rates and property prices, and the appreciation of Canadian dollar in the past few years, the directors are of the view that it is now the appropriate time to dispose the Property. The sales proceeds will be used to increase the Group's working capital.

The directors believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole. A circular containing, among other things, additional information relating to the sale of the Property will be despatched to shareholders of the Company as soon as practicable.

For and on behalf of the Board

**John Ming Tak HO**

*Managing Director*

Hong Kong, 28 September 2006

*The directors of the Company as at the date of this announcement are: Mr Rustom Ming Yu HO (Chairman), Mr John Ming Tak HO (Managing Director) and Mr Kwok Wai POON as Executive Directors; and Mr Lawrence Kam Kee YU BBS MBE JP, Mr David Hon To YU and Mr Hsu Chou WU as Independent Non-executive Directors.*

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