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## **GREAT CHINA HOLDINGS LIMITED**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

### **ANNOUNCEMENT EXCEPTIONAL VOLUME MOVEMENT DISPOSAL OF LONG-TERM INVESTMENT AND RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company was suspended from 9:30 a.m. on 6 February, 2004, pending the release of this announcement in relation to the recent increase in the trading volume of the shares of the Company, and a transaction which is, or may be, of a price sensitive nature. An application has been made by the Company to the Stock Exchange for resumption of trading of its shares with effect from 9:30 a.m. on 9 February, 2004 following the issue of this announcement.

The Board has noted the recent increase in the trading volume of the shares of the Company and wishes to state that apart from the entry into of the Agreement with HKC by the Company and GCNL as disclosed in this announcement, it is not aware of any other reasons for such increase.

Shareholders are advised to exercise caution when dealing in the shares of the Company.

The Board wishes to announce that on 6 February, 2004, GCNL, a wholly-owned subsidiary of the Company, and the Company entered into a conditional Agreement with HKC, pursuant to which, GCNL agreed to dispose of its entire indirect interest of 5% in HYLD to HKC for (i) a cash consideration of approximately HK\$9.83 million and (ii) the transfer to the Group of two apartments in Shenzhen with an open market value of approximately HK\$1.96 million. The longstop date for the conditions of the Agreement to be satisfied is on 31 March, 2004, and a further announcement in respect of the completion of the Agreement will be made by the Company on the date the completion takes place.

HYLD is the owner and developer of the Hainan Yangpu Economic Development Zone. For the year ended 31 December, 2000, the Group had made a full provision of HK\$50 million for its entire investment in HYLD.

The Directors consider the terms of the Agreement, which have been arrived at after arm's length negotiations between the parties, to be fair and reasonable. Such disposal will result in a gain of approximately HK\$11.79 million recorded for the Group and is therefore in the interest of the Company and its shareholders as a whole.

The Directors confirm that the transaction which is the subject matter of the Agreement does not constitute a notifiable transaction under the Listing Rules.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither are the Directors aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

At the request of Great China Holdings Limited (the “Company”), trading in the shares of the Company was suspended from 9:30 a.m. on 6 February, 2004, pending the release of this announcement in relation to the recent increase in the trading volume of the shares of the Company, and a transaction which is, or may be, of a price sensitive nature. An application has been made by the Company to the Stock Exchange for resumption of trading of its shares with effect from 9:30 a.m on 9 February, 2004 following the issue of this announcement. The Board has noted the recent increase in the trading volume of the shares of the Company and wishes to state that apart from the entry into of the Agreement (as defined below) with Hong Kong Construction (Holdings) Limited (“HKC”) by the Company and G.C.Nominees Limited (“GCNL”) as disclosed in this announcement, it is not aware of any other reasons for such increase. On 6 February, 2004, GCNL, a wholly-owned subsidiary of the Company, (as vendor) and the Company (as guarantor of the vendor’s obligations) entered into a conditional sale and purchase agreement (the “Agreement”) with HKC, pursuant to which, GCNL agreed to dispose of its entire indirect interest of 5% in Hainan Yangpu Land Development Company Limited (“HYLD”) to HKC for (i) a cash consideration of approximately HK\$9.83 million and (ii) the transfer to the Group of two apartments in Shenzhen with an aggregate open market value of approximately HK\$1.96 million based on the valuation report dated 3 February, 2004 prepared by an independent firm of professional valuers. The longstop date for the conditions of the Agreement to be satisfied is on 31 March, 2004, and a further announcement in respect of the completion of the Agreement will be made by the Company on the date the completion takes place.

HKC is not a connected person as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Directors consider the terms of the Agreement, which have been arrived at after arm’s length negotiations between the parties, to be fair and reasonable. Such disposal will result in a gain of approximately HK\$11.79 million recorded for the Group and is therefore in the interest of the Company and its shareholders as a whole.

HYLD is the owner and developer of the Hainan Yangpu Economic Development Zone. In September 1992, the Group invested in 5% equity interest in HYLD at a cost of HK\$50 million. According to the disclosure made in the Company’s annual report for the year ended 31 December, 2000, it was evidenced to the Group that the project of Hainan Yangpu Economic Development Zone, which was developed and held by HYLD, would not be financially viable without further capital injection. However, as the shareholders of HYLD, including the Company were not bound by any agreement to make any additional capital contribution, the shareholders refused to make further injection of capital. For prudence sake, the Group had made a full provision of HK\$50 million for such investment in the audited accounts for the year ended 31 December, 2000.

The Directors consider the entering into the Agreement is, or may be, of a price-sensitive nature, which is discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement.

The Directors confirm that the transaction which is the subject matter of the Agreement does not constitute a notifiable transaction under the Listing Rules.

Shareholders are advised to exercise caution when dealing in the shares of the Company.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither are the Directors aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

By Order of the Board of  
**Great China Holdings Limited**  
**John Ho Ming Tak**  
*Managing Director*

Hong Kong, 6 February, 2004

Please also refer to the published version of this announcement in The Standard.