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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Great China Holdings Limited, you should immediately hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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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 PROPERTY**

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings, unless the context otherwise requires:*

“the Agreement”	the Sale and Purchase Agreement entered into on 20 October 2004 by Jelson and Shanghai Garden, whereby Jelson agreed to purchase the Properties from Shanghai Garden
“associate”	has the same meaning ascribed to it under the Listing Rules
“the Board”	the board of Directors
“the Company”	Great China Holdings Limited, a company incorporated in Hong Kong and the shares of which are listed on the Exchange
“the Directors”	the directors of the Company
“the Exchange”	the Stock Exchange of Hong Kong Limited
“FPDSavills”	FPDSavills (Hong Kong) Limited, a professional valuer independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates
“the Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Jelson”	Jelson Enterprises Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong, the buyer of the Properties in the Agreement
“Latest Practicable Date”	10 November 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“the Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“PRC”	the People’s Republic of China
“the Properties”	the properties consisting of (a) the whole level four (the third floor), with a gross floor area of 1,018.01 square metres; and (b) five car parking spaces on the basement, Block 1, Kingswell Garden, No 1 of Lane 3887 Hong Mei Road, Chang Ning District, Shanghai, PRC

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Garden”	Shanghai Garden Properties Company Limited, in Chinese, 上海嘉登置業有限公司, a company incorporated in PRC, the seller of the Properties in the Agreement
“Shareholder”	the holder of any issued ordinary share of the Company
“the Transaction”	the transaction that is the subject of the Agreement



**GREAT CHINA HOLDINGS LIMITED**  
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Stock Code: 0141

**Directors**

*Executive Directors*

Rustom Ho Ming Yu (*Chairman*)

John Ho Ming Tak (*Managing Director*)

*Non-executive Director*

Chiu Chui Yi

*Independent Non-executive Directors*

Lawrence Yu Kam Kee

David Yu Hon To

Wu Hsu Chou

*Registered Office*

6th Floor

9 Des Voeux Road West

Hong Kong

16 November 2004

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF PROPERTY**

On 25 October 2004, we announced that Jelson had entered into the Agreement with Shanghai Garden on 20 October 2004, whereby Jelson agreed to purchase from Shanghai Garden the Properties. The purpose of this circular is to provide you with information related to the Agreement.

The aggregate consideration for the Properties is RMB 8,000,000 (around HK\$ 7,547,170), which was determined with reference to the market value of the Properties and after arm's length negotiation between the two parties. The consideration has been satisfied by the Group's internal source of fund in the following manner: (1) a down payment of RMB 1,100,000 that was paid when the Agreement was signed, (2) repayment of a bank loan on behalf of Shanghai Garden amounting to RMB 5,900,000 when the Agreement was signed, and (3) a lump sum payment of RMB 1,000,000 that was paid when the transaction was completed on 27 October 2004.

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## LETTER FROM THE BOARD

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The open market value of the Properties in existing state, as at 20 October 2004, is valued at RMB 8,000,000 by FPD Savills.

The Company confirms that, to the best of the directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Garden and the ultimate beneficial owner of Shanghai Garden are third parties independent of 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 property investment and general trading. The principal business activity of Shanghai Garden is property development.

Block 1 of Kingswell Garden is a four-storey building with a single-storey basement. The Group had already owned the first, second and third levels (the ground, first and second floors) before the Transaction. With the completion of the Transaction, the Group now owns all the floors of the building above the ground.

Before the Transaction, the first level (the ground floor) of the building was leased to a Chinese restaurant. The second and third levels (the first and second floors) were serviced apartments operated by the Group. The fourth level (the third floor) was a private club house operated by Shanghai Garden. The club house shared with the Group the building's entrance lobby, which is on the first level (the ground floor) with a net floor area of about 360 square metres. The Group now plans to modify the entrance lobby into an area suitable for commercial use.

It is expected that the leasing out of the modified area will generate an annual rental income of around RMB 560,000 to the Group. Since the aggregate consideration of the Properties is settled by a reduction in the bank balance, there will be no immediate impact on the Group's total assets and liabilities.

The Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For and on behalf of the Board

**John Ho Ming Tak**

*Managing Director*

*The following is the text of a letter with valuation certificate, prepared for the purpose of inclusion in this circular, received from FPD Savills in connection with its valuation as at 20 October 2004 on the Properties.*



11 November 2004

The Directors  
Great China Holdings Limited  
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Hong Kong

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[www.fpd Savillsproperty.com](http://www.fpd Savillsproperty.com)



Dear Sirs,

**Re: Level 4 and car parking space Nos. 38, 39, 40, 41 and 60, Block 1, Kingswell Garden, Changning District, Shanghai, The People's Republic of China**

We refer to your instruction for us to value the property interest in the above property, which is to be acquired by Great China Holdings Limited (the "Company") and/or its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"). We confirm that we have conducted site inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the open market value of the property interests as at 20th October, 2004 (the "Valuation Date").

Our valuation is our opinion of the open market value of the property which we would define as intended to mean "the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the Valuation Date assuming:-

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion."

Our valuation has been made on the assumption that the property interest is sold on the open market in its existing state without the effect of deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which might serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property.

We have assumed that all consents, approvals and licences from relevant government authorities for the property have been or will be granted without onerous conditions or delay. We have also assumed that the owner of the property interest has free and uninterrupted rights to use and assign the property during the whole of the respective unexpired terms granted subject to payment of land-use rights fees.

Other special assumptions, if any, have been stated in the footnotes of the valuation certificate.

We have not checked the title to the property interest, but have been given copies of relevant title documents. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have, unless otherwise stated, assumed that the Group has enforceable title to the property interest. While we have exercised our professional judgement in arriving at our opinion of value, you are urged to consider our valuation assumptions with caution.

We have inspected the property. However, no structural survey has been made for the property and we are therefore unable to report as that it is free from rot, infestation or any other structural defects. No tests were carried out on any of the services. Our valuation is carried out on the assumption that these aspects are satisfactory.

Having examined all relevant documentation, we have relied to a considerable extent on the information given by the Group, particularly in respect of planning approvals or statutory notices, easements, floor areas and in the identification of the property. All documents have been used for reference only. Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximate.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

We have not verified and make no representation the property, including any plant and equipment therein, is millennium compliant, or that the value of the property is not adversely affected in any way by any part of it not being millennium compliant within the meaning of BSI definition of Year 2000 compliance.

Unless otherwise stated, all amounts stated herein are in Renminbi.

Our valuation certificate is attached.

Yours faithfully  
For and on behalf of  
**FPDSavills (Hong Kong) Limited**

**William W L Wong**  
BLE, MRICS, MHKIS, RPS (GP)  
*Senior Director*  
*Valuation and Consultancy*

*Notes:* Mr William W L Wong is a Chartered Surveyors with over 18 years' valuation experience on properties in Hong Kong and over 10 years' valuation experience on properties in the PRC.



## VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Open Market Value in its existing state as at 20th October, 2004
Level 4 and car parking space Nos. 38, 39, 40, 41 and 60, Block 1, Kingswell Garden, No.1 of Lane 3887, Hongmei Road, Changning District, Shanghai, the PRC	<p>The property comprises the clubhouse on level 4 with a gross floor area of approximately 1,018.01 sq.m. (10,958 sq.ft.) and car parking space Nos. 38, 39, 40, 41 and 60 on basement level, Block 1 (the “Block”) of Kingswell Garden.</p> <p>Kingswell Garden is a medium-scale commercial/residential development consisting of the Block and five 8-storey residential buildings completed in about 1997. The Block is a 5-storey (inclusive of one basement level) building accommodating the clubhouse on level 4, service apartments on level 2 to 3, retail spaces on level 1 and car parks on basement level.</p> <p>The property is held under a Shanghai Certificate of Real Estate Ownership for a land-use rights term commencing on 5th June, 1995 and expiring on 4th June, 2065.</p>	The property is currently occupied as a clubhouse.	RMB 8,000,000 (100% interest attributable to the Group RMB 8,000,000)

*Notes:*

1.
  - i. Pursuant to a Shanghai Certificate of Real Estate Ownership (Document No.: Hu Fang Di Shi Zi (1997) No. 005003) issued by Building and Land Resources Administrative Bureau of Shanghai on 23th October, 1997, No. 1 of Lane 3887, Hongmei Road (including the property), with a gross floor area of approximately 8,957.37 sq.m. (96,416 sq.ft.), including a basement with a gross floor area of approximately 2,604.95 sq.m. (28,039 sq.ft.), is held in the name of Shanghai Garden Properties Company Limited (上海嘉登置業有限公司) for a land-use rights term commencing on 5th June, 1995 and expiring on 4th June, 2065.
  - ii. Pursuant to the Shanghai Real Estate Information Register (上海市房地產資料登記冊), the clubhouse with a gross floor area of approximately 1,018.01 sq.m. (10,958 sq.ft.) at level 4, Block 1 of the development situated at No. 1 of Lane 3887, Hongmei Road is held in the name of Shanghai Garden Properties Company Limited (上海嘉登置業有限公司).
  - iii. Pursuant to a Shanghai Commodity Housing Sales Agreement (上海市商品房出售合同) (the “Sales Agreement”) dated 1st July, 2004, Jelson Enterprises Limited (振盛企業有限公司) agreed to acquire Level 4 with a gross floor area of approximately 1,018.01 sq.m. (10,958 sq.ft.) and car parking space Nos. 38, 39, 40, 41 and 60 in Block 1, Kingswell Garden, Lane 3887, Hongmei Road for a consideration in the sum of RMB8,000,000. As at the Valuation Date, the outstanding consideration payable is RMB 1,000,000.
2. A summary of major certificates/approvals is shown as follows:
 

Shanghai Certificate of Real Estate Ownership	Yes
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3. The consideration payable under the Sales Agreement was fully settled on 27th October, 2004. The Company is in the process of applying for the respective Certificate of Real Estate Ownership.

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

## 2. EXPERT STATEMENT

FPDSavills is a professional valuer. FPDSavills has given and has not withdrawn its written consent to the issue of this circular with its statement included in the form and context in which it is included. As at the Latest Practicable Date, FPDSavills does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 3. DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the Directors held the following numbers of ordinary shares of the Company:

<b>Director</b>	<b>Family Interests</b>	<b>Corporate Interests</b>	<b>Total</b>	<b>% of Issued Share Capital</b>
Mr Rustom Ho Ming Yu	–	138,347,288*	138,347,288	52.87
Mr John Ho Ming Tak	600,000	138,347,288*	138,947,288	53.10

\* *By virtue of the SFO, both Mr Rustom Ho Ming Yu and Mr John Ho Ming Tak are deemed to have interests in the 138,347,288 shares held by Fulcrest Limited, a company incorporated in Hong Kong and the ultimate holding company of which is controlled by Mr Rustom Ho Ming Yu and Mr John Ho Ming Tak. Interests in the same shares are also shown under the section headed “Interests of Substantial Shareholders” below.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any personal, family, corporate or other interest or short position in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (a) was required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) was required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Exchange.

The Directors have confirmed that they are not interested in any business that competes or is likely to compete, either directly or indirectly, with the rental business that the Group intends to run after acquiring the Properties.

**(b) Interests of Substantial Shareholders**

As at the Latest Practicable Date, the following persons (other than the Directors) held the following numbers of ordinary shares of the Company:

<b>Substantial Shareholder</b>	<b>Direct Interests</b>	<b>Deemed Interests</b>	<b>Total</b>	<b>% of Issued Share Capital</b>
Fulcrest Limited	138,347,288	–	138,347,288	52.87
Raynor Holdings Limited	–	138,347,288	138,347,288	52.87
Seward Holdings Corp	–	138,347,288	138,347,288	52.87
Asian Pacific Investment Corporation	–	138,347,288	138,347,288	52.87
Kwong Fong Holdings Limited	710,000	138,347,288	139,057,288	53.10
Kwong Fong Industries Corporation	8,680,000	139,057,288	147,737,288	56.46
Top Glory Holding Company Limited	45,058,000	–	45,058,000	17.22

*Note: Fulcrest Limited is a wholly owned subsidiary of Raynor Holdings Limited, which is in turn a wholly owned subsidiary of Seward Holdings Corp, whose share capital is in turn owned 51% by Asian Pacific Investment Corporation and 49% by Kwong Fong Holdings Limited, which is in turn a wholly owned subsidiary of Kwong Fong Industries Corporation.*

Save as disclosed above, the Directors are not aware of any person (other than the Directors) who, as at the Latest Practicable Date, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**4. SERVICE CONTRACT**

As at the Latest Practicable Date, there is no existing or proposed service contract of the Directors which is not expiring or which may not be terminated by the Group within a year without payment of any compensation (other than statutory compensation).

**5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**6. SECRETARY AND QUALIFIED ACCOUNTANT**

The secretary and qualified accountant of the Company is Mr Tse Ka Yi, who is a member of the Hong Kong Institute of Certified Public Accountants.

**7. REGISTERED OFFICE**

The registered office of the Company is at the 6th Floor, 9 Des Voeux Road West, Hong Kong.