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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

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

| | |
|---------------------------|---|
| “the Agreement” | the Joint Investment Agreement entered into on 29 October 2004 by Yinpu, Poppins and Runshuo |
| “associate” | has the same meaning ascribed to it under the Listing Rules |
| “the Bank” | China Construction Bank, Shanghai Branch |
| “the Board” | the board of Directors |
| “the Company” | Great China Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Exchange |
| “the Directors” | the directors of the Company |
| “the Exchange” | the Stock Exchange of Hong Kong Limited |
| “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 |
| “the Hotel” | Shanghai Merry Tower Longdu Grand Hotel Limited, in Chinese, 上海美麗園龍都大酒店有限公司, a company incorporated in PRC |
| “Latest Practicable Date” | 19 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 |
| “the Lower Floors” | the 6th to 15th Floors, Merry Tower, No 168 Zhenning Road, Jingan District, Shanghai, PRC |
| “Poppins” | Poppins Properties (Shanghai) Company Limited, in Chinese, 博平置業(上海)有限公司, incorporated in PRC, a wholly owned subsidiary of the Company and a party to the Agreement |
| “PRC” | the People’s Republic of China |
| “the Promised Procedures” | the procedures of (a) settling the related Land Transfer Fee and (b) installing the necessary utility facilities for the Upper Floors |

DEFINITIONS

| | |
|--------------------|--|
| “the Properties” | 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, PRC |
| “RMB” | Renminbi, the lawful currency of PRC |
| “Runshuo” | Shanghai Runshuo Enterprise Development Company Limited, in Chinese, 上海潤燦企業發展有限公司, a company incorporated in PRC and a party to the Agreement |
| “SFO” | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| “Shareholder” | the holder of any issued ordinary share of the Company |
| “the Transaction” | the transaction that is the subject of the Agreement |
| “the Upper Floors” | the 16th to 28th Floors, Merry Tower, No 168 Zhenning Road, Jingan District, Shanghai, PRC |
| “Yinpu” | Shanghai Yinpu Property Development Company Limited, in Chinese, 上海銀浦房地產開發有限公司, a company incorporated in PRC and a party to the Agreement |



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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

25 November 2004

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTIES

On 3 November 2004, we announced that Poppins, by entering into the Agreement on 29 October 2004 with Yinpu and Runshuo, acquired the Properties from the Bank. The purpose of this circular is to provide you with information related to the Agreement.

According to the Agreement, Yinpu has arranged for Poppins to acquire the Properties from the Bank. 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 the Upper Floors. Yinpu has also arranged for Runshuo to acquire from the Bank apartment 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

LETTER FROM THE BOARD

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 the Hotel to complete 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 and extent of an actual excess. Basing on Poppins' experience in a similar project 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 of the Listing Rules.

As at the Latest Practical Date, the Group has not made any payment regarding the Promised Procedures.

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 the Aggregate Ownership Certificate will be around RMB 4,500,000.

LETTER FROM THE BOARD

Poppins acquired at an auction in October 2000 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 as a whole.

For and on behalf of the Board

John Ho Ming Tak

Managing Director

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. 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:

| Director | Family Interests | Corporate Interests | Total | % of Issued Share Capital |
|----------------------|---------------------|------------------------|-------------|---------------------------------|
| Mr Rustom Ho Ming Yu | 0 | 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 Group's intended re-sale of 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:

| Substantial Shareholder | Direct Interests | Deemed Interests | Total | % of Issued Share Capital |
|--------------------------------------|-----------------------------|-----------------------------|--------------|--|
| Fulcrest Limited | 138,347,288 | 0 | 138,347,288 | 52.87 |
| Raynor Holdings Limited | 0 | 138,347,288 | 138,347,288 | 52.87 |
| Seward Holdings Corp | 0 | 138,347,288 | 138,347,288 | 52.87 |
| Asian Pacific Investment Corporation | 0 | 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 | 0 | 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 an interest or short position 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.

3. SERVICE CONTRACT

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

4. LITIGATION

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

5. 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.