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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)

A subsidiary of the Group entered into a Sale and Purchase Agreement on 29 May 2006, whereby a property in Lantau Island was sold at a consideration of HK\$13,500,000. The sale constituted a Discloseable Transaction under the Listing Rules

DISCLOSEABLE TRANSACTION – DISPOSAL OF PROPERTY

On 29 May 2006, Halesite Limited (“Halesite”), 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 Halesite agreed to sell the property commonly known as Flat D (including Flat roof appurtenant thereto) on the Upper Ground and First Floors, No 1 Seahorse Lane, Beach Village, Discovery Bay City, Lantau Island, the New Territories, Hong Kong (“the Property”).

The joint buyers of the Property were two persons both holding Hong Kong identity cards. The Company confirms that, to the best of the directors’ knowledge, information and belief, having made all reasonable enquiries, the joint buyers are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The aggregate value of the consideration for the Property was HK\$13,500,000, which was determined after arm’s length negotiation between the parties. The consideration has been or will be satisfied by (1) an initial deposit of HK\$405,000 that was received on 15 May 2006, (2) a further deposit of HK\$945,000 that was received upon the signing of the Agreement, and (3) the balance of HK\$12,150,000 that will be received when the transaction is completed, which is expected to be on or around 14 July 2006.

The Property is currently vacant. The book value of the Property was HK\$13,300,000 as at 31 December 2005. Since the Property is classified as Investment Properties, no depreciation is necessary. The difference between the consideration and the book value, namely HK\$200,000, is barely enough to cover the legal transaction costs and the commission of the property agent. Therefore, it is expected that the sale of the Property will bring to the Group only a negligible gain before tax.

As disclosed in the 2005 Annual Report of the Company, the above book value was the same as the value of the Property as at 31 December 2005 as assessed by independent, professionally qualified surveyors, AG Wilkinson & Associates. The directors are of the view that there has been no significant change in the conditions of the Hong Kong property market since the above valuation date, and hence believe the sale consideration fair and reasonable.

The directors intend to use the sales proceeds to (a) repay some of the Group's long term loans and (b) increase working capital.

The principal business activities of the Group are property investment and general trading. The directors review the conditions of the Hong Kong property market on a regular basis, making adjustments to the Group's property portfolio whenever necessary. In view of the rises in both property prices and interest rates in the past few years, the directors tend to be more cautious and consider that the sale of the Property is an appropriate adjustment to the Group's property portfolio for the time being.

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

30 May 2006, Hong Kong

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; Mr Chui Yi Chiu as Non-executive Director; and Mr Lawrence Kam Kee Yu, 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.