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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 – DISPOSAL OF PROPERTY

On 25 July 2007, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement to dispose of the Property to the Purchaser at the consideration of HK\$24,600,000.

The Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information of the Disposal will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

On 25 July 2007, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement to dispose of the Property to the Purchaser.

AGREEMENT DATED 25 JULY 2007

Parties: Vendor: Halesite Limited, a wholly owned subsidiary of the Company

Purchaser: Billion Spread International Investment Limited

Agent: Midland Realty (Shops) Limited

Property: Shop No. 3 on Ground Floor, Wah On Building, No. 47 Mut Wah Street, Kwun Tong, Kowloon, Hong Kong

Consideration: HK\$24,600,000. An initial deposit of HK\$1,000,000 has been paid by the Purchaser to the Vendor upon signing of the Agreement. A further deposit of HK\$1,460,000 shall be paid by the Purchaser to the Vendor upon signing of the formal sale and purchase agreement, which will be on or before 8 August 2007. The balance of HK\$22,140,000 shall be paid by the Purchaser upon Completion, which is expected to be on or before 24 October 2007.

Completion: Pursuant to the Agreement, the parties are required to enter into a formal agreement for the sale and purchase of the Property on or before 8 August 2007. Completion of the sale and purchase of the Property shall take place on or before 24 October 2007. Upon Completion, the Purchaser agrees to purchase the Property subject to the existing tenancy.

INFORMATION ON THE PROPERTY

The Property comprises a shop unit on the ground floor of a 9-storey composite building and its net floor area is 48.12 square metres (518 square feet). The Property is the subject of a tenancy and the term of the existing tenancy, which attracts a monthly rental of HK\$86,000 (exclusive of management fee and government rates and rent), will be up to 2 June 2009.

The audited net loss before and after taxation and extraordinary items attributable to the Property for the financial year ended 31 December 2005 was HK\$200,000. The audited net profit before and after taxation and extraordinary items attributable to the Property for the financial year ended 31 December 2006 was HK\$84,000.

The Property was purchased by the Vendor in October 1985 at a cost of approximately HK\$5,170,000. The book value of the Property according to the audited consolidated financial statements of the Company for the year ended 31 December 2006 was HK\$26,500,000, which is same as the value of the Property as at 31 December 2006 assessed by AGW. Based on such book value, a loss before tax of approximately HK\$1,900,000 (before deducting relevant expenses) is expected to accrue to the Group upon Completion.

The Property is subject to a mortgage to secure general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited. The Vendor shall discharge the Property from the said mortgage at its sole expense on or before the Completion to the intent that the Property shall be sold free from the mortgage. The Vendor is not required to repay any mortgage loan to the said bank in respect of such release of mortgage of the Property.

DETERMINATION OF THE CONSIDERATION

The consideration for the Disposal of HK\$24,600,000 was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to the prevailing market price of nearby properties.

REASONS FOR THE DISPOSAL

Taking into account the recent prevailing property market conditions in non-residential properties and the overall economy in Hong Kong, the Board is of the opinion that the Disposal provides a good opportunity for the Group to realize the Property. The Directors (including the independent non-executive Directors) consider that the terms of the Agreement and the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Disposal will be used as the additional working capital of the Group.

INFORMATION ON THE PARTIES

The principal activities of the Group are general trading of animal feed, mainly fishmeal and tapioca chips, and property investment, including the lease and sale of properties and provision of real estate agency services.

As far as the Directors are aware, the Purchaser is an investment holding company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

DISCLOSEABLE TRANSACTION

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules for the Disposal exceeds 5% but is less than 25%, the Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Disposal will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context otherwise requires:

“Agent”	Midland Realty (Shops) Limited
“Agreement”	the provisional sale and purchase agreement dated 25 July 2007 entered into between the Purchaser, the Vendor and the Agent in relation to the disposal of the Property
“AGW”	A.G. Wilkinson & Associates, a professional qualified surveyor and, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an Independent Third Party
“Board”	the board of Directors
“Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“Completion”	the completion of the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property under the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	(an) independent third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	Shop No. 3 on Ground Floor, Wah On Building, No. 47 Mut Wah Street, Kwun Tong, Kowloon, Hong Kong

“Purchaser”	Billion Spread International Investment Limited, a company incorporated in Hong Kong with limited liability, which and the ultimate beneficial owners of which are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Independent Third Parties
“Shareholders”	the shareholders of the Company
“Vendor”	Halesite Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Andy Kam Kee WONG
Company Secretary

Hong Kong, 26 July 2007

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

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