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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 3 September 2007, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement to dispose of the Property to the Purchaser at a cash consideration of HK\$34,300,000.

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 3 September 2007, the Vendor, a wholly owned subsidiary of the Company, entered into the Agreement to dispose of the Property to the Purchaser.

AGREEMENT DATED 3 SEPTEMBER 2007

Parties:	Vendor:	Halesite Limited, a wholly owned subsidiary of the Company
	Purchaser:	Mr. LEE Yui Chiu
	Agent:	Grand Star Property Agency Limited
Property:		Shop B on Ground Floor, Mercantile House, No. 186A Nathan Road, Tsimshatsui, Kowloon, Hong Kong

Consideration: HK\$34,300,000 in cash. 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\$2,430,000 shall be paid by the Purchaser to the Vendor on or before 13 September 2007. The balance of HK\$30,870,000 shall be paid by the Purchaser upon Completion, which is expected to be on or before 15 November 2007.

Completion: Pursuant to the Agreement, a formal agreement for the sale and purchase of the Property shall be signed on or before 17 September 2007. Completion of the sale and purchase of the Property shall take place on or before 15 November 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 15-storey composite building and its net floor area is 34.84 square metres (375 square feet). The Property is the subject of a tenancy and the term of the last tenancy before the recent renewal was 25 months from 15 July 2005 to 14 August 2007, both days inclusive, with a monthly rental of HK\$120,000 (exclusive of management fee and government rates and rent). The term of the renewed tenancy is 2 years from 15 August 2007 to 14 August 2009, both days inclusive, with a monthly rental of HK\$138,000 (exclusive of management fee and government rates and rent).

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\$185,000. 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\$120,000.

The Property was purchased by the Vendor in April 1986 at a cost of approximately HK\$2,907,000 and since then it was held by the Group as an investment property for investment and rental purposes. 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\$24,800,000, which is same as the value of the Property as at 31 December 2006 assessed by AGW. Based on such book value, a gain of approximately HK\$9,500,000 (before deducting relevant expenses and tax) is expected to accrue to the Group upon Completion, subject to annual audit.

The Property is subject to a mortgage to secure a term loan of approximately HK\$29,000,000 and general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited. The Vendor shall repay part of the term loan of approximately HK\$11,000,000 to 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 remaining term loan and general banking facilities will be secured by another property of the Group.

DETERMINATION OF THE CONSIDERATION

The consideration for the Disposal of HK\$34,300,000 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, and in light of the desirable gain expected to be generated from the Disposal, 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 of approximately HK\$33,900,000 will be used to repay part of the term loan of approximately HK\$11,000,000 as aforesaid and the balance shall 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party.

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”	Grand Star Property Agency Limited
“Agreement”	the provisional sale and purchase agreement dated 3 September 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”	an independent third party 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 B on Ground Floor, Mercantile House, No. 186A Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Purchaser”	Mr. LEE Yui Chiu, who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an Independent Third Party

“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, 4 September 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.